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Parliament Wants Special Observers in Kosovo

AU0412103192 Tirana ATA in English 0905 GMT 4 Dec 92

["Resolution of the People's Assembly of the Republic of Albania on the Situation in the Balkans and Actions to Prevent the Conflict in Kosovo"—ATA headline]

[Text] Tirana, December 4 (ATA)—By means of this resolution, unanimously endorsed by the deputies of all the political parties and forces of the Albanian parliament, the People's Assembly of Albania expresses its profound worry over the very dangerous course of events in the territories of former Yugoslavia because of the thirst of Serb national communism and chauvinism to create big Serbia resorting to violence. Lack of actions and counteractions and other factors inside and outside the region, particularly those on ethnic religion basis, which threaten to give a global character to the conflict, have their impact on the current Balkan crisis.

Direct nearness to the hotbeds of the current and possible conflict, increases Albania's worry which needs peace in order to remedy the allsided ruining caused by half century totalitarianism and isolation and to prevent the real danger threatening its people. Albania worries over the fate of the Albanians living in their territories in former Yugoslavia and the impact of the chain reaction the extension of actual massacres would have in Bosnia. In the face of such a situation, at a time when every minute is precious, the People's Assembly reiterates Albania's will to take further steps to halt and prevent war and restore peace.

Albania regretfully observes that despite its peaceful commitment, in spite of the embargo imposed by the security council and all the actions of the international community, the chauvinistic hand which martyred the Bosnian people has not been halted. Only due to their coolheadedness and self-control of the Albanian population of Kosovo, the Bosnian massacre is not extended there. But however admirable this self-control, how long will it last in the occupied Kosovo when violence and ethnic purge is becoming more and more perceptible, even more intolerable for every Albanian?

In the face of such a situation fraught with the imminent danger that the war flames might sweep over the whole Balkans, perhaps even beyond its borders, the People's Assembly of Albania appears before the neighbours, Europe and the world with a peaceful initiative :

This initiative on the part of our parliament becomes necessary not because of the lack of such initiatives, but because of the fact that they have been inefficient until now. On the other hand this initiative is also based on the particular place of the Albanians in former Yugoslavia (they live in four states of former Yugoslavia: Montenegro, Serbia, Kosovo, Macedonia) and our deeply peaceful attitude for the solution of the grave Balkan crisis. By means of this initiative we want to synchronize the joint endeavours with the neighbouring countries and international community, to succeed in preventing the war and restoring peace.

Under such circumstances it is necessary and indispensable the reactivation of the Balkan bilateral and multilateral cooperation to find peaceful initiatives, which would ensure good neighbourliness and peace in the region.

Albania publicly reaffirms that it is not for changing borders by means of violence. Albania will unconditionally abide by all the commitments deriving from the charter of UNO [United Nationa Organization] or the European Security and wants their application by means of dialogue, on no discrimination even for the Balkan peoples. Albania declares that it demands to prevent the conflict in Kosovo by all manner of means, otherwise it would be out of control. At the same time it demands the observation of the right of the Albanian people of Kosovo for self-determination, conform to all the norms and international law. It also demands the observation of the rights of the Albanians residing in Macedonia, who account for 40 per cent of the population, to be a state forming subject in Macedonian state.

The People's Assembly of Albania proposes an urgent summit of the CSCE, the security council devoted to the problems and difficult situation in the region and particularly the actions to prevent the extension of conflict and massacre even in Kosovo, which would mark the beginning of a new Balkan war. We demand from the CSCE, the Security Council and the European Community to send as soon as possible observers and peacekeeping forces in Kosovo as an indispensable condition to prevent the spread of war in this region. The People's Assembly also proposes to declare Kosovo a demilitarized zone under the international control.

This would bring about the recommencement of life and normal activity, reopening of schools, university, unfreezing of the Albanian press and radio television, etc.

The People's Assembly of Albania also upholds that a condition to prevent the war and the further spread of the conflict and an indispensable step to further maintain stable peace in the region, is to find out ways to establish international control on the aggressive military potential of Serbia, which is also the base of war. We also uphold that there is not much time to prevent the extension of the conflict. In this context we appeal to our colleagues at the European Council [Council of Europe] and the European parliament, to give priority to the developments in former Yugoslavia, the ways to halt the massacre in Bosnia and prevent it in Kosovo. We call on the deputies and parliaments of all the Balkan and European countries and others as well, the world public opinion to seriously engage in preventing the conflict in Kosovo. As a Balkan and European country Albania will [passage indistinct] or new zones of influence in the Balkans. It will side only with the negotiators of peace and will support the initiatives to halt bloodshed.

The Albanian parliament charges the government, the whole diplomatic apparatus, to strictly apply this policy of peace, stability and national dignity defined on the unanimous will of the People's Assembly.

Arbnori, Gjeloshi Meet

AU0312214092 Tirana ATA in English 0925 GMT 03 Dec 92

[Text] Tirana, December 3 (ATA)—On December 2 before noon, Mr. Pjeter Arbnori, chairman of the Presidency of the People's Assembly, met with the deputy premier of the Government of the Republic of Kosovo, Mr. Nik Gjeloshi.

The meeting was held in a warm and friendly atmosphere. They exchanged opinions on problems of mutual interest. They said particularly that the development of relations between the Republic of Albania and the Republic of Kosovo is characterized by a political spirit in compliance with the international norms and international democratic and peaceful aspirations.

Speaking of the situation in former Yugoslavia, Mr. Arbnori said that under the current circumstances, one can occupy a state, but you cannot maintain it under domination. The nation and Kosovo are lucky that the motherland, Albania, entered and is resolutely marching on the broad road to democracy, said Mr. Gjeloshi.

Mr. Arbnori invited Mr. Gjeloshi to attend the plenary sitting of the People's Assembly on December 3 devoted to the current situation in the Balkans.

Twenty-Five Percent of Labor Force Now Unemployed

AU0412095492 Tirana ATA in English 1125 GMT 03 Dec 92

[ATA Report: "How Are the Objectives of the Reform Being Realized?"]

[Text] Tirana, December 3 (ATA)—In an interview with the newspaper ZERI I RINISE, Albert Gajo, economic adviser of the premier, says among other things: We are on the first stage of the reform, that is in the stage of stabilisation and liberalisation. This has brought about the basic premises for the state enterprises to be completely independent from the economic point of view and know to act under the conditions of free competition of the economic subjects.

Regarding the objectives, he said that for the time being we are experiencing an increase of agricultural production. As regards to the industrial production, it is no more decreasing and the first stage of the lek's convertibility may be considered as realized and its stability is guaranteed.

The most difficult objective of the government is not to exceed the budgetary expenditures above those approved by the parliament; 24.3 billion leks for the current year also seems realized.

Mr. Gajo said further on in his interview with ZERI I RINISE that the number of the unemployed who have newly come on assistance, a number which exceeds the 220,000 persons, or over 25 percent of the active force, is increased. For the last year, too, there is a tendency to perceptibly exceed imports against the export realized by all the economic subjects.

Ganev, Butrus-Ghali Discuss Sanctions Compensation

AU0312111192 Sofia BTA in English 1837 GMT 2 Dec 92

[Text] Sofia, December 2 (BTA)—Bulgarian Foreign Minister Stoyan Ganev, who presides over the 47th session of the UN General Assembly, elaborated on national radio today on his stand on the need for the earliest possible convocation of a meeting of foreign ministers within the London International Conference on the former Yugoslavia. Mr. Ganev believes such a meeting could be called shortly to discuss the various aspects of the application of the UN Security Council sanctions against Serbia and Montenegro and seek ways to compensate the other states in the region which observe strictly the UN resolutions.

In this connection, Mr. Ganev yesterday conferred with UN Secretary General Dr. Butrus Butrus-Ghali. The Bulgarian foreign minister called for compensation of the losses sustained by the Balkan states in an interview which appeared in yesterday's issue of USA TODAY.

"At such a meeting, Bulgaria will raise the issue of its compensation. To this end, the competent authorities should submit a detailed description of the incurred and potential losses which Bulgaria will sustain as a result of the UN sanctions," the foreign minister said. According to him, Bulgaria has every right to seek the assistance of the international community: the United States, EC, and other states and institutions for the compensation of losses and coping with certain economic difficulties. "We cannot but consider this matter in the context of the difficult political situation in Bulgaria at present, which gives the international community another cause for worry," Mr. Ganev added.

In his interview, Mr. Ganev emphasized that he was making efforts to harmonize these foreign political activities with other countries affected by the UN sanctions and expressed the hope that they would subscribe to the idea. The imposition of sanctions has produced one negative result, in the sense of economic result, which becomes a sort of a tinder box, an economic destabilization, and could create enormous difficulties in the Balkans, much worse than those existing at the moment, Mr. Ganev said. "I raised this issue when I conferred with Mr. Butrus-Ghali, too," the foreign minister said.

Emphasizing Bulgaria's strict observance of the UN sanctions, Mr. Ganev said that this country needed technical assistance for their implementation. According to him, the UN Security Council's Sanctions Committee should concentrate part of its activity on the border crossings with the former Yugoslavia. "We cannot seek the permission of the Sanctions Committee in New York for every single trade operation as this would complicate things too much," Mr. Ganev believes. He has suggested the same to Mr. Butrus-Ghali and believes it is a short cut to a simplified application of the sanctions mechanism.

Butrus-Ghali Replies To Ganev

AU0312214292 Sofia BTA in English 1949 GMT 3 Dec 92

[Text] Sofia, December 3 (BTA)—Foreign Minister Stoyan Ganev received an official letter from UN Secretary General Butrus-Ghali, co-chairman of the International Conference on Yugoslavia, the Foreign Ministry told BTA.

Mr. Butrs-Ghali says Mr. Ganev's proposal of November 23, 1992, will be taken into account in making a decision. In official letters to Mr. Butros-Ghali and British Prime Minister John Major, co-chairing the conference, the Bulgarian foreign minister proposed a meeting of the foreign ministers of countries participating in the conference and, as an immediate step, a meeting of the conference Steering Committee in order to speed up the process of seeking a political settlement of the Yugoslav crisis.

Official Says Turkey Instigated Attack on Pope

AU0312133992 Sofia BTA in English 1312 GMT 3 Dec 92

["Turkish Intelligence Picked Agca To Gun Down Pope, Bulgarian General Claims in Suicide Note"—BTA headline]

[Text] Sofia, December 3 (BTA)—The KONTINENT daily continues a series of publications shedding light on the latest findings of the Bulgarian investigation into the 1981 attempted assassination against Pope John Paul II which was reopened in March 1991.

In today's article, the author Aneliya Petrova reports that the case record contained a suicide note left by General Stoyan Savov, former deputy interior minister in charge of the State Security's Intelligence Department at that time, who took his life in early 1992. This note, addressed to the head of the Criminal Investigation Department, claims that the decision to kill the Pope was made by the Turkish National Security Council. The crime should have been attributed to an Armenian terrorist organization, Assala, in order to paralyze its activity, which had resulted in the death of 30 Turkish diplomats. According to General Savov, the Turkish Intelligence Organization (MIT) was assigned the task and it picked Agca as the triggerman. It was MIT itself that arranged Agca's escape from a Turkish military prison, General Savov claims. According to him, the Bulgarian Intelligence Services had evidence which could prove his statement. The author quotes an investigator of the case who believes that General Savov's letter is emotional.

After the first two investigations failed to identify the masterminds of the attempted papal assassination, the third investigation in Rome has been tracing the Turkish connection in this case and looking for Agca's accomplices for more than seven years now, the author writes. It is the Italian magistrates' business whether they will

ever find the Turkish terrorists' co-conspirators, but Bulgaria is vitally interested in this identification. Because no matter how many investigations might be launched here in Sofia to disprove the alleged Bulgarian involvement in the plot, it will be Rome's final say that will carry weight with the world, the journalist stresses.

Aldo Moro's kidnapping in 1978 had been planned as an operation intended to implicate Bulgaria in international terrorism, Aneliya Petrova claims in another publication referring to classified documents of the Italian investigation, copies of which are being kept at the National Investigative Service. The idea of this operation had been to discredit the Eastern bloc and KGB as involved in terrorist acts. According to this plan, Aldo Moro's body was to be dumped at the Bulgarian Embassy in Rome. For unknown reasons, though, this part of the operation was not carried out.

Summing up, the author recalls the CIA's conclusion that the methods used in the attempted assassination against the Pope were not typical of Bulgarian or Soviet operations.

Industrial Unions Hold Protest March, Rally

AU0312191892 Sofia Khorizont Radio Network in Bulgarian 1730 GMT 3 Dec 92

[Text] This afternoon buses brought representatives of workers from enterprises all over the country to take part in a protest rally in Sofia. The participants were members of the KNSB [Confederation of Independent Trade Unions in Bulgaria] and the Podkrepa Labor Confederation and represent about 150,000 people employed in the electronics, electrical engineering, machine-building, and weapons industries.

In Sofia they voiced their increasing alarm at the delays in settling their problems, and their desperate attempts to draw attention to their vitally important demands proved successful. "Arsenal Does Not Seek Charity, but Justice" read a placard at the head of the procession that set off from the Vasil Levski Stadium to the Saint Aleksandur Nevski Memorial Cathedral. "National Assembly Deputies, We are Dying Because of Your Inaction" and "We Want Proper Working Conditions" were only two of the slogans raised in front of the National Assembly building.

At the rally a declaration was read and then handed to the National Assembly leadership. It repeats the demand that the state assume the uncollectable debts that the enterprises owe to the banks. In conjunction with this, the declaration insists on settlement of the payments due from the state for products already manufactured and sold. The declaration also raises the issue of the need for a government policy to help expand the markets for manufactured engineering products. This rally is the last warning, declared Asen Asenov, chairman of the Metal-Elektro Trade Union Federation within the KNSB. Now the initiative lies in the hands of the National Assembly deputies.

Deputies Meet Protesters

AU0312192092 Sofia Khorizont Radio Network in Bulgarian 1730 GMT 3 Dec 92

[Text] The National Assembly Press Service has announced that this afternoon representatives of 500 trade union organizations affiliated with the KNSB [Confederation of Independent Trade Unions in Bulgaria] and the Podkrepa Labor Confederation from enterprises in the electronics, electrical engineering, machine-building, and weapons industries throughout the country handed a statement of protest to Snezhana Botusharova [National Assembly deputy chairman].

The problems detailed in the declaration were discussed in detail at a meeting that lasted more than an hour, in which National Assembly deputies from the SDS [Union of Democratic Forces] and BSP [Bulgarian Socialist Party] were involved, including Dimitur Ludzhev, Asen Michkovski, Ivan Pushkarov, and Stefan Karadzhov. Pushkarov expressed the hope that next week the National Assembly would attempt to resolve the most urgent of the problems raised.

DPS Refuses To Meet Candidate Boyadzhiev

AU0312192692 Sofia BTA in English 1857 GMT 3 Dec 92

[Text] Sofia, December 3 (BTA)—Petur Boyadzhiev, nominated to the premiership by the Bulgarian Socialist Party (BSP), today met with representatives of the BSP and, according to a radio report, is drawing up the cabinet's programme.

Mr. Boyadzhiev, who is leader of the extraparliamentary Alliance for Bulgaria, will be meeting with an expert group of the BSP for the next seven days. According to the spokesperson for the Alliance for Bulgaria, the future government's programme will be prepared by members of the alliance. According to her, individual candidatures will not be discussed in the first few days. Early next week Petur Boyadzhiev will hold talks with the leaderships of the three parliamentary groups.

The leadership of the ethnic Turks' Movement for Rights and Freedoms (DPS), whose votes will be decisive for the election of a new cabinet, refused to confer with Petur Boyadzhiev today. The spokesperson for the Alliance for Bulgaria said this has been the only refusal so far. Yesterday DPS leader Ahmed Dogan said the candidate for the premiership was a fraud who travestied the BSP's idea of a cabinet of national consensus. If Mr. Boyadzhiev fails to name a government, the third parliamentary force—the DPS—will be given a mandate to form a government.

Ivan Glushkov, leader of the extraparliamentary Christian Agrarian Party, called on the DPS to transfer its mandate to the Union of Democratic Forces (SDS). Mr. Glushkov sees an all-SDS cabinet as a way out of the crisis.

The parliamentary groups of the SDS and the DPS met in the last two days to discuss prospects for restoring their cooperation. After today's meeting the groups' leaderships made a joint declaration that the SDS and the DPS can restore their majority in parliament. According to DPS spokesman Yunal Lyutfi, if the DPS and the SDS reach an agreement, a coalition cabinet of the DPS and the SDS can be formed under the movement's mandate. This view is shared by MP's [members of parliament] of the SDS.

On the initiative of Vasil Mikhaylov, chairman of the New Social Democratic Party, MP's of the SDS today launched a sign-in campaign in parliament insisting on negotiations with the DPS for the formation of a coalition government. One of the conditions will be the passage of an act on police file declassification.

The leaders of the extraparliamentary Bulgarian Business Party said today that early parliamentary elections are obviously needed much.

BSP Official Rejects Idea of Caretaker Cabinet

AU0312084592 Sofia 24 CHASA in Bulgarian 25 Nov 92 p 7

[Interview with Aleksandur Tomov, chairman of the BSP (Bulgarian Socialist Party) parliamentary group, by Venelina Gocheva; place and date not given: "Zhelev Only Wants a Caretaker Cabinet"]

[Text] [Gocheva] Mr. Tomov, why did you vote against the decision of the BSP [Bulgarian Socialist Party] plenum to accept the mandate to form a government?

[Tomov] Because the decision did not have the nature of a mandate. It did not specify the obligations of this cabinet. One has to know what its attitude will be toward the IMF and the negotiations with the creditor banks, what specific commitments it will assume to speed up land restitution, how it will draft a new budget, and so on. It may seem to some people that I am referring to a program instead of a mandate, but these are concrete matters without which a cabinet cannot be formed.

If the cabinet lasts for three or four months and evades all these commitments in the name of civic peace and to allow preparations for new elections, the reforms will stop and the state will collapse. The budget owes a great deal of money to the banks, and the internal settlements between the companies are immense—nearly 100 billion leva. These are colossal imbalances, and they can ruin the banks and the financial system.

[Gocheva] In his BBC interview on 24 November, Dr. Zhelev admitted that he is already considering a possible caretaker government. Does this mean that the president does not believe that the BSP can form a cabinet?

[Tomov] Evidently Dr. Zhelev is trying to get a caretaker cabinet formed. He believes that this is the solution to the situation that has developed. The extraparliamentary forces want the same thing. They openly support him because they expect to achieve splendid results in new elections, although I doubt it.

However, a political government has many advantages over a caretaker cabinet, with which Bulgaria has had no experience. A caretaker government will not enjoy the parliamentary support that D. Popov's coalition cabinet had. A caretaker cabinet means postponing the talks with the creditor banks or putting them on a formal footing. We will not be able to sign a new agreement with the IMF. The experts will not prepare a strong budget, because the political force that wins the next elections will automatically revise it. If Dr. Zhelev has been trying to get a caretaker government, then evidently he has to drag out the procedure. After the BSP and DPS [Rights and Freedoms Movement] have had their mandates, we will mess around until the end of the year, then we will begin consultations, see in the New Year without a cabinet, and some time around 20 January the president will appoint a caretaker cabinet that will function for three months until elections are held in April.

[Gocheva] Does this mean that you hope that the BSP will obtain parliamentary support for its government?

[Tomov] Do you know what disturbs me? The repulsive logic of those who scrambled to overthrow F. Dimitrov, but now do not want to enter into a government of national consensus. Dimitrov's cabinet did indeed pursue a bad policy, but when someone is overthrown, one should offer an alternative. If the alternative is a caretaker government, please excuse me, but this is irrational. These people should learn that politics is not only street rallies and idle prattle. The policy followed in the economy this year was very weak, with the exception of the financial sector, where they tried to do something. However, it was precisely this financial policy, unsupported by industrial and structural policies, that led to the present grave situation.

[Gocheva] Which forces toppled Dimitrov, since everyone denies doing it?

[Tomov] Look here, let us put the question differently: Who wants elections at the moment? It is not only the extraparliamentary forces. In my view the right wing of the SDS [Union of Democratic Forces] needs elections—I saw their happy faces following the vote against Dimitrov. It is clear that their internal party interests and personal ambitions come before everything else. This cannot be said about Mr. Aleksandur Yordanov. At the moment he does not want elections at any price, nor does his Radical Democratic Party. Not only does the B-12 group [SDS deputies surrounding Dimitur Ludzhev] want elections, but many other SDS deputies hold similar views. To them one can add a large group in the BSP that thinks that the BSP will win a majority in new elections.

[Gocheva] Does the BSP really believe in this illusion?

[Tomov] The illusion that the people will automatically swing to the left as a result of the SDS's unsuccessful policies is very strong. The problem for Bulgaria does not lie in the possibility that communism will be restored, nor in the return of perestroyka, which is a stage that belongs to the past throughout Eastern Europe. The problem is which system will be built from now on: Will we be a tomato republic, or a country with its own industrial and cultural image? I will not conceal the fact that economic and political forces exist abroad that would very much like us not to possess a military industry and key technologies. There are many people who want to regard us as a tourist country that engages in small business, in which they can launder money to their heart's content and make us a staging point for transporting stolen cars to the Middle East. The limited Bulgarian politicians do not see this danger, and this is our country's tragedy.

[Gocheva] Will you be the BSP prime minister?

[Tomov] I know that my name has appeared in the press in connection with this post. The big issue, however, is to find not merely a BSP candidate, but one for the nation. The BSP is not avoiding responsibility, as the SDS claims. I do not recall ever having run away from responsibility.

[Gocheva] Do you not regard yourself as a suitable candidate for the nation?

[Tomov] I did not say that. For me this question is a matter of principle, not a personal issue. We simply have to try the alternative of a uniting figure. The reasonable forces within the BSP, SDS, and DPS can provide parliamentary stability for this government of national consensus to continue for three or four months.

[Gocheva] Todor Vulchev [chairman of the Bulgarian National Bank] said that he will not accept the offer of a prime ministership from the BSP. Who are the other reserve candidates?

[Tomov] I knew in advance that Prof. Vulchev would decline. I spoke to him some months ago, and he declined for personal reasons. Mr. Vulchev will soon be 70, and he is one of the few great figures that are left in Bulgarian politics. He has heavy duties in managing the banking system, which is one of the few stable institutions in Bulgaria. The people who can form a government now are mainly young people who are able to work 20 hours a day. I will not mention any specific names because I am very much involved in the political scene, and any view that I express may be interpreted wrongly.

If, however, the BSP fails to form a government during its mandate, it will not be so terrible if a government is formed during the DPS consultative mandate. Nevertheless, the cabinet must be a political one, formed on the basis of a 20-point program for its work during the next three or four months.

[Gocheva] Who is writing this program?

[Tomov] [laughs] I believe that such a program already exists in chapter form; there is even a book. The OSD [Alliance for Social Democracy in the BSP] has something of the kind. It contains all the guarantees that communism will not be restored if the BSP forms a government.

These 20 points cover all the things that I said regarding the international financial institutions—continuing the IMF agreement, signing a foreign debt reduction and rescheduling agreement with the banks before the end of March, and integrating us more fully into the international financial structures during 1993.

The main difference between this program and the policies followed by the SDS until now is the speeding up of the structural reform: first, through a privatization program that should be presented in January; second, through a program for stabilizing Bulgarian industry; and third, an active policy of seeking new markets, including in Eastern Europe. Initiatives may be proposed for stabilizing the Balkan peninsula. We even think that, whichever government comes next, Stoyan Ganev should remain as foreign minister, at least as long as he is chairman of the UN General Assembly, because otherwise our international authority will suffer.

A series of measures may be proposed to speed up land restitution and form cooperatives. The budget should be drawn up differently—not simply as a reflection of the state's flight from the economy, but as a flight only from those parts where the state hinders the market economy. We must give wide scope to private business, which we regard as the motive force, and we plan taxation concessions for it. Our attitude to the private businessman is precisely where we differ from the Marxist Alternative in the BSP.

[Gocheva] Will the BSP support this OSD program?

[Tomov] When the issue of taking power arises, all look toward the OSD. You may think this remark immodest, but these are the realities.

[Gocheva] Does the OSD really possess power?

[Tomov] Ludzhev accuses us of having none, while the BSP accuses us of being a splinter group, that is, of having power. The extremists on the left and right would very much like us to split off and form our own parliamentary group. The problem, however, is how to impose our policies, not in acting like idle intellectuals.

[Gocheva] Would everything not be achieved far more easily if a parliamentary center was formed?

[Tomov] Until now, this has not been a real possibility. Ludzhev's group is extremely small, and the DPS has no desire to get involved. However, without a parliamentary center it is impossible to obtain a majority; the other solution is an election.

[Gocheva] The outgoing government has laid quite a number of mines for the next one. For example, electricity prices should have been raised last spring....

[Tomov] Yes, and it did all this in a rather disgraceful way. Dimitrov signed an agreement with the World Bank, tied a number of loans to the raising of electricity prices, and now leaves the whole matter for the next cabinet—a typically Balkan political trick—so that the new government can take the blame. I am afraid that now they will make many populist moves. For example, budget funds will be used up to pay back the loan to the banks, thus greatly restricting those who will next assume power.

[Gocheva] Should the new cabinet continue our relationship with the IMF?

[Tomov] Yes.

[Gocheva] You have quite close unofficial relations with the IMF representatives, don't you?

[Tomov] Yes. I have had dozens of meetings with Annoup Singh both in Bulgaria and in Washington. We have a chance with the intelligent people who represent the IMF in Bulgaria, something that cannot be said about the other East European counties. Now, however, we must defend a dignified Bulgarian position before the IMF. The problem is not in the contacts with the IMF, but in the fact that we have been too humble in our dealings with them.

[Gocheva] You did not say whether the BSP is counting on parliament supporting the team that it will form.

[Tomov] It is too early to say—today is only Tuesday. At the moment, all the political forces are testing the ground and the doors are just open a chink. It is more likely that we are moving toward a caretaker government. However, everyone must understand that a big price will have to be paid for such a development.

DPS Still Ready To Form Cabinet With SDS

AU0412103592 Sofia TRUD in Bulgarian 27 Nov 92 pp 1, 3

[Interview with Yunal Lyutfi, National Assembly deputy of the Rights and Freedoms Movement (DPS), by Anna Zarkova: "If It Receives a Mandate To Form a Government, the Rights and Freedoms Movement Will Offer the Union of Democratic Forces [SDS] More Compromises;" place and date not given]

[Excerpts] [passage omitted] [Zarkova] Did the DPS [Rights and Freedoms Movement] have any grounds for being pleased that Filip Dimitrov's proposed cabinet was rejected by the National Assembly?

[Lyutfi] Not at all, quite the reverse. During the negotiations on forming a coalition government, our delegation was disappointed to find out that the SDS [Union of Democratic Forces] did not want to form a coalition cabinet with the DPS. This is the only explanation for the SDS's refusal to make concessions in response to our proposals.

In the final analysis, we reached agreement on all the six points contained in our allies' claims, but reached an impasse in connection with our view that the National Intelligence Service should remain under the control of the presidency. We had serious reasons for wanting this. In the present changeable political times, governments can be replaced, but institutions such as this must be depoliticized as far as possible and made independent of political forces.

There may be some truth in the other side's claims that services of this kind are still under KGB direction and are burdened with the legacy from the time when they were blind servants of totalitarianism.

However, all these arguments can be answered by finding a way to bring them under effective parliamentary control after their place and functions have been determined. [passage omitted]

[Zarkova] The BSP [Bulgarian Socialist Party] will probably be a more amenable political partner when one comes to discuss the terms under which the DPS might be included in a program government of national consensus.

[Lyutfi] We are more concerned with the talks that we will resume with the SDS when our turn comes to try to form a government. At the moment, I can tell you that we will be much more generous during these negotiations, in the name of the consensus that our electorate and all the people need.

[Zarkova] Will you be so generous as to agree that Filip Dimitrov, to whom your allies are evidently strongly attached, should be nominated as prime minister?

[Lyutfi] I am not convinced that the SDS will again propose the candidacy of a prime minister who has received a vote of censure more than once. During the political crisis, it is likely that they as well as we will rethink some of their positions. The SDS cannot fail to realize that referring to decisions adopted last September is anachronistic in the quickly changing political situation.

[Zarkova] Does this mean that during its new talks with the SDS, the DPS will make major changes to its conditions for forming a coalition government? For example, will you give up your claims to the enforcement ministries?

[Lyutfi] I do not accept the concept of "enforcement" ministries. It does not apply in the least to the Ministry of Justice, and under the new democratic conditions should not apply either to the Interior Ministry. That is my view.

[Zarkova] Nevertheless, during the recent negotiations on the Dimitrov cabinet, the DPS claimed control over precisely these ministries.

[Lyutfi] These ministries guarantee the security of our state's citizens and law and order in this state. They should be put in the charge of strong men who are good professionals. This reasoning lay behind our proposals to be given a deputy minister's post in the Interior Ministry and the control of the Ministry of Justice.

[Zarkova] Will you mention any names?

[Lyutfi] Viktor Mikhaylov and Emil Buchkov. There were also other candidates, all of them Bulgarians, who were chosen for reasons much more profound than the compromising yarns that certain newspapers tried to force upon us. Mention was made, for example, of certain actions by Bogomil Bonev, the present chief secretary at the Interior Ministry, which fell outside his duties.

[Zarkova] Mr. Lyutfi, do you think that early elections will solve our country's problems?

[Lyutfi] Certainly not; this is the view of the DPS, and not because we fear the test of the ballot box. Quite the contrary, I consider that the DPS is more ready than any for elections at the moment. The development of the political processes in Bulgaria will determine the precise date of the next elections. However, I am sure that it would be a good thing for the country and all the people if we avoid holding elections during the winter, and not only because of the cold.

[Zarkova] What is your election forecast?

[Lyutfi] This time the Bulgarian Democratic Center and the Agrarians will not remain outside parliament. The center will probably be represented more strongly in the National Assembly, and the presence of the DPS there is more than certain. The DPS will probably again act in the role of a balancing weight.

[Zarkova] Do you want to keep playing this role?

[Lyutfi] No, because it is very difficult, but it is a main role and there is no reason to give it up. However, we are ready to share this role.

Control of Special Services Seen as Major Issue

AU0312110592 Sofia KONTINENT in Bulgarian 25 Nov 92 p 6

[Article by Zhelez Zhelezov: "Our Gordian Knot Called the National Intelligence Service"]

[Text] The leaders of the Union of Democratic Forces [SDS] have adopted five necessary conditions for the formation of the new cabinet. One of them is related to the transfer of control of the special services and the National Intelligence Service to the executive power.

However, let us try to understand what the following phrase means: "... therefore the government will assume that commitment after transferring the special services and the National Protection Service to the control of the executive power in order to guarantee the real management of their activities and efficient parliamentary control." It appears that what is meant is not the efficiency of the work and prestige of those services, but their role as an instrument of eventual opposition to the policy of the government. Indeed, this is the core of the difficulties. However, the authors of those conditions must answer two brief questions: First of all, in what modern democratic state is the national intelligence service a part of the structure of the executive or the Ministry of Internal Affairs? This used to be the case only in countries with a totalitarian system. Second, by what legal and moral logic could one consider that the leadership and the activities of the National Protection Service and the special service, as well as efficient parliamentary control over them, could be guaranteed only if they are subjugated to executive?

A purely ethical question emerges against this background: What "confrontation with the government" is meant? The addressee is obvious—the Movement for Rights and Freedoms [DPS]. However, that party is a parliamentary partner, and the SDS intends to overcome the cabinet crisis with its assistance. There is no other outcome....

One way or another, the essentially secondary issue of precisely which high-ranking state institutions will assume control over the National Intelligence Service will directly or indirectly affect the talks on forming the new cabinet. A campaign developed, prompted by the ambition of certain SDS circles, to deprive by every means the president of his leadership of the National Intelligence Service and fire its chief, Brigadir Asparukhov, because of his audacity in accusing Konstantin Mishev [actually Prime Minister Filip Dimitrov] of involvement in unwarranted and illegal deals with other countries. If this materializes, a ruling mixture of four elements will emerge—the Council of Ministers, the Ministry of Internal Affairs, the Army, and the Judiciary—under the leadership of the main parliamentary force dominated by the radical right within the SDS.

What can we learn from international experience about national intelligence services? They are constructed on two principles. First, autonomy from other security departments. Second, domestic and international prestige achieved under the direct leadership of the head of state, as well as reliable parliamentary control or direct subjugation to the parliament.

It is well-known that the Constitution adopted by the Grand National Assembly, dominated by a Bulgarian Socialist Party [BSP] majority, practically deprived the president of any power through Article 100, paragraphs 1, 2, and 3 in anything related to national security issues, despite the fact that the same president is the commander in chief of the armed services. The SDS—then in

opposition—had already in the initial debate unmasked the total contradiction between several articles of the draft constitution and its proclaimed goals: democratizing the social system and introducing economic reform based on private property and a market economy. However, the majority prevailed. It could not allow the concentration of so much power in the hands of the president—the ideologist, organizer, and leader of the SDS.

Events rejected the BSP's designs: step by step, the leadership of the National Intelligence Service was transferred to the presidency. Thus, on the basis of international experience and the efforts of the SDS, the problem was resolved rationally. Against the background of that development of events, the striving by certain SDS circles to transfer the leadership of the National Intelligence Service to the Council of Ministers implies an attempt to assess the political situation in the country in a way that is unacceptable not only to the DPS, and also conceals the danger of party and factional bias.

In practice, a large part of the problem has been resolved—the leadership of the National Intelligence Service is appointed through the presidency. What remains is to specify the mechanism of parliamentary control.

Economic Adviser 'Pessimistic' for Future

AU0312124592 Sofia OTECHESTVEN VESTNIK in Bulgarian 26 Nov 92 pp 1, 2

[Interview with Boyan Slavenkov, economic adviser to the president, by Boris Angelov; date and place not given: "We Shall Get What We Deserve. We All Shall Pay"]

[Text] [Angelov] In an interview for OTECHESTVEN VESTNIK after Yeltsin's visit, you assessed the achievements in Bulgarian-Russian relations exceptionally highly. Then you promised to continue our conversation. Now, a mere four months later, you do not appear to be very enthusiastic.

[Slavenkov] The positive start was simply frustrated and the momentum lost. The government did not do what was necessary. It did not entrust the ministries and other organs with specific tasks related to implementing the agreements in trade-economic and even military areas. While, before the treaty with Moscow, we thought that the responsibility for discontinuing relations was mutual, now the responsibility almost completely lies with us. This is an inexcusable mistake. The consequences will be exceptionally grave. We dropped the substance for the shadow....

[Angelov] And all this when our economy is in a pitiful situation.

[Slavenkov] We must not be puzzled by the fact that our economy is failing. Many more difficult days lie ahead. In the coming months when there is no government....

[Angelov] Please be more specific....

[Slavenkov] Everything is clear. What lies ahead is a caretaker government, and afterward, elections in the middle of winter. Until then anarchy and lawlessness will assume massive dimensions, speculation and illegal activities will spiral out of control, corruption will flourish, and personal and group interests will ultimately prevail over national ones. As an economist, I am mostly concerned with the fact that the people will lose faith in the reforms.

[Angelov] We also have problems in the international arena....

[Slavenkov] Even if talks with the West continue, Bulgaria will be in a very unfavorable position. We will be forced to be reconciled with unacceptable conditions. From our contacts with the international financial institutes, it is already clear that the anticipated credits and investments will be delayed and frozen. The effect on our talks on the foreign debt will also be negative. The debt will increase.

[Angelov] Are you not too critical of the government when you speak from your position at the presidency?

[Slavenkov] I want you to understand me correctly. I do not blame only the cabinet's economic policy. Basically it is correct. This is the only possible way out of the crisis. It has been difficult to rule up till now, and will be even more difficult. However, I am sick and tired of seeing how certain ministers describe themselves as victims of the reform. As if somebody had forced them to join the cabinet. We all know that it will be difficult. They could at least have the courage to admit their mistakes....

[Angelov] More specifically?

[Slavenkov] Their mistakes are not conceptual. They stem from the technology of power under the conditions of democracy and a partisan government which does not comprise people who think in the same manner. Many of the ministers did not have the intellectual and professional qualifications needed for their posts. I will not mention any names. The press has done this enough. The cabinet did not have the sense of fulfilling a mandate. There was no cooperation with the National Coordinating Council of the Union of Democratic Forces [SDS]. Paradoxically, the government did not have the support of the entire SDS parliamentary faction. And what about the selection of cadres? I have always asked about the approach to this issue, but have never gotten a reply. Even the Communists, pardon me, had an established system of promoting people willing to work and serve loyally, and thus strengthen their government. What was the situation with our cabinet? A permanent struggle for power and an usurpation of the political leadership by a group of people with leadership ambitions, but who by no means could identify with the SDS as a whole.

[Angelov] Did you think that the government would fall?

[Slavenkov] Yes, as early as when Filip Dimitrov was nominated for the second time and a cabinet without any alternative was firmly proposed. The ultimatum approach to the talks with the Movement of Rights and Freedoms and the insistence on a secret vote convinced me that the SDS deliberately relinquished power. It was afraid to assume the grave responsibility during the winter. History and the people will not forgive us.

[Angelov] You appear to be sorry that this government is leaving.

[Slavenkov] Yes. The president also did everything possible to help the cabinet. He even appealed to the National Assembly members to vote for Filip Dimitrov.

[Angelov] The prize he received was boos....

[Slavenkov] This is a matter of their political and human morality. Some people in the SDS could not overcome their opposition syndrome and realize that they were in power. They did not acquire a real sense of statesmanship.

[Angelov] What will happen after the elections?

[Slavenkov] We shall begin from the same point as we began two years ago with so much hope and faith. Let us hope that the situation will not repeat itself in the future.

[Angelov] You are too pessimistic. Could you say something to reassure us?

[Slavenkov] I am sorry, I can say nothing.

[Angelov] Will we have enough food?

[Slavenkov] We shall have as much as we produce and deserve. We shall all pay. This also includes the politicians!

Defense Ministry Denies Dismissing Secretary

AU0412102892 Sofia BULGARSKA ARMIYA in Bulgarian 27 Nov 92 p 1

[Text] No order exists for the disciplinary dismissal of Valentin Aleksandrov, secretary of state at the Ministry of Defense. Ivan Rakov, head of the Defense Ministry's Administration Department, informed journalists of this at a news conference held on 26 November in the Military Club in Sofia. The reports on this subject that have appeared in the press are untrue. In response to journalists' demands for more details, Mr. Rakov said: I have seen no order with such contents, such an order has not been given a reference number, nor has an order of this kind been handed to the secretary of state.

Zhelev Promises Support for Union of Disabled

AU0412095292 Sofia BTA in English 1447 GMT 3 Dec 92

[Text] Sofia, December 3 (BTA)—Bulgarian President Zhelyu Zhelev received the leaders of the Union of Disabled Persons in Bulgaria, BTA learnt from the president's spokesman. The union's chairman, Bozhidar Ivkov, presented a memorandum to the president in connection with the International Day of People With Physical, Mental and Sensory Handicaps.

The union's leaders asked President Zhelev to help solve the problems of the disabled through his prestige in this country and abroad. The president pledged to support the union and to insist on urgent solutions to specific problems, such as special access facilities to public transport and public buildings, special training for disabled children, more active international contacts, etc.

This country has an estimated 105,000 disabled people, 16.4 percent of the population, of whom only 4 percent rely on state support. 16,000 of them were registered last year alone. Half of disabled people are between 30 and 50 years of age. About 25 percent of parents of disabled children do not have the means needed for their treatment.

A service was held at the St. Aleksandur Nevski Cathedral yesterday for the health of the disabled. Wheelchair relay races and marathon were held here today to draw public attention to the problems of the disabled persons and to raise funds.

Structure of Western Aid in 1990-91 Outlined

AU0312135792 Prague CTK in English 1435 GMT 1 Dec 92

[Text] Prague, Dec 1 (CTK)— An aid of 3,827 million ECU [European Currency Unit] was earmarked by economically developed countries for Czechoslovakia for 1990-91, according to figures from the Prague-based European Community's (EC) mission published by the Czech economic daily HOSPODARSKE NOVINY today. This amount was shared by the world in the following way: The EC and its member countries 50 percent, International Monetary Fund 30.8 percent, World Bank 8.7 percent, Japan 3.8 percent, the European Free Trade Association member states 3.7 percent, and others 3 percent.

Forty-two percent of the amount is designated for the Czechoslovak economy's restructuring, mainly for private businesses' support. To achieve the goal, it is inevitable to create a necessary framework, institutions and a way of thinking, and transform the state structures so that they become an arbitrator, setting the rules of economic activities, rather than a representative of the interests which are oriented to the state's interference in the economy.

The G24 group's technical aid is also meant to support the individual sectors, which are necessary for the market economy's development, like banking, or insurance business. That is why the amount of 1,600 million ECU was earmarked for this area in 1990-91. The macroeconomic aid, which was to ease short-term problems, which may arise in the process of the central command economy switching over to the market principles, was 800 million ECU or 21 percent of the total amount. By this the G24 countries wanted to promote investment activity in Czechoslovakia and make imports of production means possible.

The countries mentioned above also provided official exports credits worth 896 million ECU (over 23 percent of the total). The remaining 14 percent is characterized by the EC Prague mission documents as other aid. The biggest aid-provider for the East and Central European Countries is the EC. Its major instrument in Czechoslovakia is the PHARE [Economic Reconstruction Aid for Poland and Hungary] program. This year, Czechoslovakia is to get from PHARE 100 million ECU in the form of gifts and scholarships, other resources are designated for regional projects. The PHARE focuses on restructuring whole sections and institutions, mainly the steel, arms, and pharmaceutical industries. The aid can also be obtained by individual companies.

The goal of the Tempus program provides for university students' exchange stays. The Overture program promotes cooperation between local self-governing authorities, the Media program supports small and medium businesses in the field of audio-visual media of communication, while the Kaleidoscope program is destined for arts support.

U.S. Biggest Foreign Investor

AU0312135492 Prague CTK in English 1702 GMT 1 Dec 92

[Text] Prague, December 1 (CTK)— Direct foreign investments in Czechoslovak stock corporations increased by 27,606,400,000 crowns (975,800,000 USD [U.S. dollars]) in the first nine months of 1992. Their overall volume has reached 46,605,100,000 crowns (1,725 million USD) since the beginning of 1991, according to data released by the Czechoslovak State Bank (SBCS), the economic daily HOSPODARSKE NOVINY wrote today. A total of 92 percent of all foreign investments went to the Czech Republic. Dominant among the foreign investors this year is the U.S. Philip Morris tobacco company. Philip Morris has already paid for shares of the Tabak Kutna Hora (tobacco company in Central Bohemia).

Another large investment is that of the French consortium BSN, the Swiss Nestle, and the European Bank for Reconstruction and Development (EBRD) into Cokoladovny Modrany (chocolate factory in Prague). A substantial amount of foreign capital comes through the National Property Fund in the Czech Republic and the National Property Fund in the Slovak Republic. Foreign firms buy shares or entire enterprises at once or gradually in the framework of approved privatization projects.

From a regional perspective, the United States is the biggest investor this year (with a 28.9 percent share), followed by France (22.9 percent), and Germany (16.8 percent). Other major investments came from Swiss firms (7.3 percent), and Belgian companies (6.5 percent).

Germany's share in the volume of foreign investments has been decreasing. It was less than 40 percent by September 30, 1992. Austria's share has been surprisingly low, only 5.7 percent by September 30, 1992.

The daily pointed out that foreign investments are still not high enough to meet the needs of the process of economic restructuring. Foreign firms have invested some 4,000 million USD into the Hungarian economy in the past three years, even though the Hungarian economy is substantially smaller than the Czechoslovak one.

Moravcik Views Diplomatic Missions, Dam Project

LD0412002392 Prague CTK in English 2157 GMT 3 Dec 92

[Text] Bratislava, Dec 3 (CTK)—Czechoslovak Foreign Minister Jozef Moravcik today said that most of the states, which now have their embassies in Prague, do not count with opening their diplomatic missions in Bratislava soon after the split of Czechoslovakia as of January 1, 1993.

In a meeting with journalists in Brno, south Moravia, Moravcik said that some ambassadors to Prague or Vienna or another city will also be accredited to the

Slovak Republic. Moravcik's secretary Igor Slobodnik said that Czechoslovakia now has 87 diplomatic missions in the world. After January 1, 1993, the Czech Republic wants to have 65 of them and the Slovak Republic ten or 15 less, Slobodnik said.

Moravcik said that since September, the federal, Czech and Slovak foreign ministries have been cooperating in solving foreign political questions linked to the forthcoming split of the Federation.

Calling the cooperation model [as received], he said it would be good if it prevailed after the two independent, Czech and Slovak, states are created. Moravcik also spoke about the Gabcikovo hydroproject on the Danube in south Slovakia. He said that it is urgent that next week, the Czech and Slovak Republics solve the question to what degree the issue concerns only the Slovak Republic. He stressed that the agreement on the construction of the project was concluded in 1977 by the Federation.

He stressed that the favourable navigation conditions along the Danube, due to Gabcikovo, can also benefit the Czech Republic in its cooperation with Germany. Gabcikovo in south Slovakia is part of the Czechoslovak-Hungarian hydroproject on the Danube. It started to be built in 1978, but in may 1989 Hungary stopped work on its part of the project at Nagymaros, citing environmental reasons. Czechoslovakia went ahead with Gabcikovo, which started to generate electricity November 25. This has provoked strong protests from Hungary.

The European Community is now trying to mediate the dispute between Czechoslovakia and Hungary. The Czech Republic has made it clear that as Czechoslovakia is going to split as of January 1, 1993, and as Gabcikovo is situated on the territory of the Slovak Republic, it is no longer its matter.

Dlouhy Content With EC's Customs Union Approval

LD0412093192 Prague CTK in English 2045 GMT 3 Dec 92

[Text] Brussels, Dec 3 (CTK)—Czech Minister of Trade and Industry Vladimir Dlouhy told CTK today he is satisfied with the European Community's (EC) acceptance of the Customs Union between the Czech and Slovak Republics, set to take effect after Czechoslovakia's division on January 1.

Dlouhy, on a one-day working visit to Brussels, held talks with David Williamson, general secretary of the EC Commission, on transferring the association agreement, which Czechoslovakia signed with the EC in December 1991, to the Czech and Slovak successor states.

Dlouhy said the EC accepted the division of import and export quotas between the Czech and Slovak Republics, which he said was considered a good sign. Dlouhy also met with the Belgian Minister of Foreign Trade and European Affairs Robert Urbain. He asked for the minister's support in meetings of GATT, where the procedure for the transfer of membership to the successor Czech and Slovak states has already been agreed. Dlouhy also asked for Belgium's support within the EC.

Next week, according to Dlouhy, foreign ministers from the Federal, Czech and Slovak governments will meet in Brussels to discuss additional steps before relations can be formalized between the EC and the Czech and Slovak Republics.

Meciar Details Privatization's 'Temporary Slowdown'

AU0312112592 Bratislava NARODNA OBRODA in Slovak 27 Nov 92 p 2

[Report by "maxy": "The Prime Minister in Chemosvit"]

[Excerpts] Svit— Slovak Prime Minister Vladimir Meciar visited the Chemosvit state enterprise in Svit yesterday afternoon. Chemosvit, which employs more than 4,000 people, is a successful producer of packaging foil, chemical fibers, and engineering products. [passage omitted]

In a debate with director Michal Lach, the management, and employees, the prime minister discussed Chemosvit's privatization.

Exhausted Banks

He said that he awaited their privatization project, which provides for the participation of employees, next to the enterprise management, in the transformation of the state enterprise, and that he would support it. At the same time, the prime minister explained the temporary slowdown of privatization, which has been caused not by political, but by economic problems. The provision of privatization credits has so exhausted the banks that they are unable to finance other types of investment and development programs to the necessary extent.

A Difficult Year Is Awaiting Us

Meciar made no secret of the fact that a year of difficult trials with a lower standard of living is awaiting us. At the same time this will be a year of intensive changes in which employers will cease to have a social function, which will mean an end to artificial overemployment, and unemployment benefit will be awarded on an individual basis. While the state will continue to be the bulwark for the socially weakest, it will place a larger burden on the more solvent strata of the population. There will be significant changes in the management of the state's financial affairs, after it inherited a state budget deficit of more than 10 billion korunas. However, the government expects a revival of the economy within four years, as well as an increase in the standard of living.

Regulation of Food Prices

The range of social issues that attracted the greatest interest among the Chemosvit employees also included the problem of the regulation of food prices. The prime minister admitted that, albeit unwillingly, the state would nonetheless take steps toward regulation in the form of so-called price ceilings for some food items because it is realized that consumers will no longer be able to bear another increase in prices. After the exchange of money, the government will guarantee to preserve the value of the population's deposits and the nonconfiscational [nekonfiskacny] nature of the exchange of money. The new currency issue should be completed within six months. [passage omitted]

Commentary Criticizes Meciar

AU0312114292 Bratislava NARODNA OBRODA in Slovak 27 Nov 92 p 3

[Commentary by Ivan Horsky: "A Succession of Faux Pas"]

[Text] The most recent public opinion polls clearly indicate that the current ruling party in Slovakia has managed thoroughly to tarnish its reputation within the space of just five months. What was expected to happen has happened. Its exclusive emphasis on constitutional and legal issues and, in this connection, its quite disgraceful neglect of so-called bread-and-butter issues could not fail to be reflected in the public's attitudes.

The issue not only involves economic matters in the more literal sense of the word, but also wider political matters, including international contacts at the Slovak level, a level that presents—even within the framework of the current jurisdiction—much greater opportunities than are being taken. Unfortunately, the Office of the Prime Minister comes first here. It does not make use of all the opportunities that arise in this regard. Let us cite just two examples from the past 10 days.

The prime minister of the Walloonian regional government, Guy Spittaels, was here. He took advantage of the opening of an office in Slovakia representing this part of the Kingdom of Belgium to renew and expand mutual contacts. Sadly, however, no opening could be found in the Slovak prime minister's calendar for a meeting with this politician, although Walloonia was—after the fall of communism—one of the first countries to express its support for Slovakia's emancipation efforts.

An important U.S. congressman, Tom Lantos—a leading figure in the influential global Hungarian lobby—was also here. He is being spoken of on the other side of the Atlantic as a prominent member of the new Clinton administration. Anyone familiar with the way U.S. policy is formed through various lobby groups would have held his head in his hands when he found out that the leading man on the Slovak political scene did not use the opportunity to make direct contact with this congressman and give him first-hand information on the situation in the future—or, to be more precise, evolving—independent state. Especially in view of the constant tension in relations with Hungary, not only about Gabcikovo, but also about the minorities' issue. This will—obviously—be one of the issues serving across the Atlantic and in Europe as a gauge of democracy in Slovakia.

I do not know who, in the final analysis, determines the prime minister's work schedule. However, as I must have stated with disappointment previously, no experts qualified to assess who and what must be given preference at a given moment are, obviously, involved. It also seems that the Office of the Prime Minister is formulating its own foreign policy, while deliberately leaving Minister Knazko's office out of the most important decision-making processes. However, at the end of the day, the creation of such parallel structures always ends in disaster, because a dual-track policy in this important sphere presents a danger of serious faux pas.

We should try to make as few of them as possible. In the interests of both our politicians' trustworthiness and the country, they want to present and represent themselves in public as positively as possible. In other words, not to do Slovakia a disservice. Politics is not only the technology of power. It is the art of the possible and—sometimes—even of the impossible.

Two-Thirds of Privatization Process Completed

AU0312140192 Prague CTK in English 2008 GMT 30 Nov 92

[Text] Prague, Nov 30 (CTK)— Over 6,500 privatization projects are prepared for about 1,400 state enterprises that remain to be privatized in the Czech Republic in the framework of large-scale privatization, Czech Privatization Minister Jiri Skalicky said today. Two-thirds of the privatization process are behind us, but now comes the turn for key branches: metallurgy, power industry, and the infrastructure, he said.

Speaking at a conference on the role of small and medium-sized businesses in economic development which opened here today, Skalicky said that restitution of the property confiscated under the former communist regime from its initial owners has considerably helped to establish small and medium-sized businesses, and added that over 100,000 businesses have been returned to their former owners in the Czech Republic.

According to Skalicky, over 21,000 small businesses valued at nearly 29,000 million crowns (approximately 1,000 million USD [U.S. dollars]) have been sold since the beginning of 1991 and over 4,000 businesses remain to be sold. A total of 24,000 million crowns (approximately 900 million USD) were received up to now from direct sales of state enterprises, Skalicky said and added that all property to be privatized in the Czech Republic is worth 1,500,000 million crowns, which represents about 80 percent of the total state-owned property.

According to Skalicky, 10 percent of the economically active population are currently employed in the private sector. The current conference on the role of small and medium-sized businesses in economic development was organized by the Konrad Adenauer Foundation in Czechoslovakia in cooperation with the Foundation for Support and Development of Private Business.

Slovak Parliament Issues International Declaration

LD0312221492 Prague CTK in English 1629 GMT 3 Dec 92

[Text] Bratislava, Dec 3 (CTK)—The Slovak Republic as one of the successor states to Czechoslovakia wants to be a regular member of the United Nations Organisation and of the Council of Europe, the Slovak parliament said today. At its 10th session, the parliament passed a declaration addressed to all parliaments and nations the world over, expressing the hope that they will support entry of the Slovak Republic to the international community as a fully-fledged partner.

The declaration also says Slovakia will seek membership of the International Monetary Fund, World Bank, European Bank for Reconstruction and Development, and GATT. It will consistently fulfill all commitments in the fields of nuclear nonproliferation and of armed forces and armament reduction, the declaration says. The declaration on Council of Europe membership says that Slovakia is ready to fulfil commitments stemming from the Council of Europe statutes.

All international treaties, which will have been signed by Czechoslovkia until December 31, 1992, will be transferred to the Slovak Republic, the declaration says. If some of them have not yet beeen ratified or will not be ratified by the end of the year by Czechoslovakia, they will be ratified in harmony with the Slovak Constitution.

The Czech parliament on November 26 approved the text of a letter to the Council of Europe expressing the Czech Republic's wish to join the council after Czechoslovakia splits as of January 1, 1993.

Ambassador Discusses Future Ties With Slovakia

LD0312233092 Prague CTK in English 1744 GMT 3 Dec 92

[Text] Kosice, Slovakia, Dec 3 (CTK)—Slovakia is an important partner for Ukraine because the two countries are situated in the same part of Europe, and are culturally and historically related. Many possibilities for economic cooperation between them exist, said Ukrainian Ambassador to Czechoslovakia Roman Lubkivsky at a press conference in Kosice, east Slovakia, today.

Lubkivsky said that his country is prepared to recognise the Czech and Slovak Republics. He said that the fact that Ukraine does not have, and has never had, any conflicts with the Czech lands or with Slovakia is very positive.

Regarding the Ukrainian ethnic minority in Slovakia and the Slovak minority in Ukraine, he said that both minorities should enjoy the same conditions for their development. The attempts, which are taking place in Slovakia to divide the Ukrainian minority are unpleasant for Ukraine, he said. Some Ukrainians call themselves Ruthenians, but that is their right, he added.

In Kosice, Lubkivsky met with the Deputy Mayor Rudolf Bauer, who presented a project for regional cooperation among Poland, Ukraine, Hungary and east Slovakia. They also discussed the possibility of opening a Ukrainian Consulate in Kosice.

Slovak Officials Criticize Skalicky Statement

AU0412112892 Bratislava SMENA in Slovak 28 Nov 92 p 2

[Interview with Lubomir Dolgos, Slovak minister for the administration and privatization of national property; Michal Krajovic, chairman of the Slovak Republic's National Property Fund Executive Committee; and Peter Vajda, director of the Slovak First Investment Bank by Alena Duricova; place and date not given: "Privatization or Nationalization?"]

[Text] At a news conference on 29 November, Jiri Skalicky (Civic Democratic Alliance), Czech minister for the administration and privatization of national property, adopted a tough stance on the problem of the division of federal property when he said that "if the Slovak side does not give up its demands regarding the division of federal property, demands that contradict the territorial principle.... then it might happen that the Czech Republic National Property Fund will refuse to issue shares to Slovak investors, shares which they acquired in coupon privatization." We asked representatives of institutions that represent the interests of investment coupon holders, the state, and privatized enterprises in the Slovak Republic for their opinion.

[Dolgos] Jiri Skalicky is a member of the commission dealing with the division of property, a commission established from representatives of both republican governments. His feelings regarding the inappropriacy of Slovak demands may be based on information that he acquired in that commission. I am not a member of that commission, so I do not have complete information in this area. As regards the problem itself, however—blocking the shares of Slovak investment coupon holders—I must say that Minister Skalicky is playing with fire. The entire privatization program is at stake. If the reporters recorded his words precisely, then I consider his statement as most inappropriate. This statement questions the recently signed agreement between the governments on the protection of investments. I do not believe that this is the official view of the Czech Government, but only Minister Skalicky's personal opinion. The demand that there be an equal number of Slovak investment coupon holders in the Czech Republic and vice versa is wrong. This would mean retrospective

legislation, which has certainly no place in a law abiding state, which the Czech Republic wants to be.

[Krajovic] This is a question of political decision. If the governments agree on such compensation between the republic's National Property Funds, then we must respect it. We, on our level, cannot decide on such matters.

[Vajda] I consider it legally inadmissible to deprive Slovak investment coupon holders and investment privatization funds of their shares that they invested in Czech enterprises. This would mean nationalization. These shares are private property and no law abiding state has the right to touch them.

Minister Announces Gas Pipelines Will Be Divided

AU0412112592 Prague MLADA FRONTA DNES in Czech 28 Nov 92 p 1

[CTK report: "The Gas Pipelines Will Be Divided as of 1 January 1993"]

[Text] Prague—The transit gas pipeline network is to be divided as of 1 January 1993. Two separate companies will be established on the territorial principle. This is what Vratislav Ludvik, Deputy minister of industry and trade, said yesterday to CTK.

The transit gas pipelines are a branch works of Czech Gaswork Enterprises. According to Ludvik, representatives of the founding ministries (the Slovak Ministry of Economy and the Czech Ministry of Industry and Trade) decided to do this because the existing legal system does not allow taxes to be collected on the activity of an entity that is based in one republic and to transfer them to the state budget of the other republic.

Czech Company To Control Supply

AU0312134492 Prague CTK in English 2006 GMT 1 Dec 92

[Text] Bratislava, Dec 1 (CTK)— The management of the gas pipeline supplying Czechoslovakia with Russian gas is to be divided between two Czech and Slovak stock companies, according to the director of the Slovak Gas Industry (SPP), Arpad Demko.

Demko, speaking to Slovak parliament deputies who visited the gas industry authority, said the division follows from talks held between representatives of Czech and Slovak finance, privatization, industry, and economics ministries, and of the Czech and Slovak gas industries. Slovak Economics Minister Ludovit Cernak and Czech Minister of Trade and Industry Vladimir Dlouhy are to recommend the division of the gas pipeline management to the republic governments on December 15.

Demko said the Czech side has not accepted the second version of the division, the establishment of one multinational company. According to Demko, the Czech side disagreed with the company's headquarters to be in Bratislava. Demko also said Slovakia will suffer from the division of the gas pipeline. The Czech Prague-based company Metalimex will be the partner to the 1993 agreement on natural gas imports between the SPP and Gazexport of Russia, Demko added.

He said Russian gas supplies have been coming in as agreed, but voiced doubt that Russia will be able to guarantee further supplies in 1996-97. We are therefore orientating ourselves towards other countries, for instance Qatar, Nigeria, and Algeria, he said.

Federal Assembly Amends Taxation Laws

AU0312113292 Prague HOSPODARSKE NOVINY in Czech 27 Nov 92 pp 1, 2

[Report by "ha, pra": Analogous Conditions for the Republics"]

[Excerpt] After the approval of amendments to the laws on value-added tax and on consumer taxes yesterday, Finance Minister Jan Klak emphasized in the Federal Assembly that the differences in the amendments adopted in the Federal Assembly and the Czech National Council laws are only marginal.

"If Slovakia accepts federal norms, no differences should exist between the republics that would give rise to disparity between the tax yields or conditions for taxation."

The amendment to the law on value-added tax simplifies the original law, which will cut down the red tape in the administration of this indirect levy. It should also help to curb tax evasion. The fundamental principles remain unchanged, and most of the alterations are of only a legislatively technical character. The deputies proposed 19 changes to the submitted proposal. The majority of them, as Minister Klak told us, were motivated by endeavors to prevent any disparity between the Czech and the federal versions of the laws.

The amendment to the law on consumer tax is also of a technically administrative character. It contains only two substantive changes. Diesel fuel substitutes will become taxed at the same rate as actual diesel fuel. The other change is the increase in taxation levels on tobacco for rolling cigarettes so as to prevent its excessive use at the expense of cigarettes.

Parliament did not recommend a reduction in the consumer tax on wine—Deputy Pavol Delinga (Social Democratic Party of Slovakia) moved that it be reduced from 7.80 to 5.50 korunas per liter. [passage omitted]

Antall's Envoy Views Romanian Relations

AU0312165592 Bucharest ROMANIA LIBERA in Romanian 26 Nov 92 p 4

["Exclusive" interview with Gyula Kodolanyi, personal representative of Hungarian Prime Minister Jozsef Antall, by Simion Buia, Jr. in Budapest; date not given: "A Political Alliance With Extremists Means To Sever Relations With Europe"]

[Text] [Buia] I am in Budapest talking with Mr. Gyula Kodolanyi, state secretary, special counselor, and personal representative of Prime Minister Jozsef Antall. First, I asked him about the way in which the current Hungarian Government assesses the results of the Romanian elections.

[Kodolanyi] Maybe we appreciate those elections more than some of the representatives of Romanian public life. Now, the opposition has a more numerous representation in the parliament and thus, another significant step has been taken toward parliamentary democracy... As far as the new government is concerned, we know very well that there are extremist and left and right-oriented forces in Romania. Nevertheless, we hope that President Iliescu will in no way associate with them. We believe that President Iliescu would progress very badly if, even in a tacit way, he promoted a policy of alliance with those extremist forces. I am not thinking of Romanian-Hungarian relations under such circumstances. I am simply talking about the fact that such an alliance would harm Romania's integration in Europe. Romania is receiving and will continue to receive signals in this respect from the Council of Europe and the European Community because European cooperation—in which Romania, just like Hungary, would like to take part—has its strict rules for the political game, has its clear political demands, and we have to comply with them. I believe that every Romanian politician who has a sense of responsibility knows very well that a political alliance with extremists means to sever relations with Europe. This would mean—for each country, not only for Romania—falling behind 10 or 20 years....

[Buia] Therefore, under this aspect, will the extremist and anti-Hungarian actions of the Cluj mayor Gheorghe Funar also be taken into consideration?

[Kodolanyi] We pay particular attention to Funar's actions. However, the way he did in the elections proves to us that the majority of the Romanian people is lucid and even-tempered. Funar's actions are terrible; however, I believe that they are only passing things and a variety of show-type manifestations. Mr. Funar suffered a spectacular defeat in the elections, and this pleases us. It is true that in the short term, the extremists might gain certain positions, but they do not have a strategic chance, as long as the ideology of European integration is working effectively and cannot be held back. This "long-term" optimism is also expressed in the fact that Hungary signed the "open sky" accord first with Romania, to give you only one example. However, this optimism is also reflected in various signs of opening toward Romania, visible in very many positive actions of West European countries and of the United States.

[Buia] Could your optimism be somehow lessened by the recent Cluj Declaration of the Democratic Union of Hungarians in Romania [UDMR]?

[Kodolanyi] I believe that Hungary must not interfere in the way the UDMR chooses to make its policy. Those in the UDMR are the people who live there; they are in the middle of Romanian realities, and they are the ones who must feel the pulse of the daily development of political life. All I can say is that we value the politicians of all the wings of the UDMR leadership and that differences in viewpoints among them are the kind that can be found in every serious party. I presume that the radicalization of the UDMR can be "due" to the fact that extremist voices become increasingly louder in the Romanian press, meaning that there is a danger that the real result of the elections might not find expression in the policy of the Romanian Parliament and Government.

[Buia] The extremist press that we were talking about does not only attack the UDMR but Hungary, too. How do you respond to these fierce anti-Hungarian outbursts?

[Kodolanyi] We do not respond to them. It would be useless to respond daily to some unfounded accusations. I believe that the newspapers and magazines in question mainly harm Romania, not us. We have repeatedly stated that we favor respect for the Helsinki principles. Therefore, those who are talking about Hungary's "aggressive plans" pretend not to know the political and military realities, because it is well known that compared to the number of our population, the power of the Hungarian Army is extremely reduced. It is also well known that today's Hungary is a country that wants to live in relations of friendship and cooperation with its neighbors.

[Buia] Nevertheless, the extremist press in Romania constantly circulates the idea that Hungary is preparing for a war against Romania...

[Kodolanyi] Such a possibility is completely excluded. Apart from the fact that we respect the Helsinki principles, the potential of our army makes it absolutely incapable of any aggression, and we could not attack anybody even if we wanted. In addition, we believe that in the European policy promoted after the cold war, only a country that refrains from the use of force can be successful; otherwise it excludes itself from the new European community. I can tell you for sure that the Serbian people, after peace is established, will pay a very high price for the war into which they allowed themselves to be dragged.

[Buia] A last question: What are the unsolved problems that delay the signing of the new Hungarian-Romanian treaty?

[Kodolanyi] The problem for us is that the Romanian side that attends the negotiations asks Hungary for declarations that Romania itself is not prepared to make. A treaty of friendship can be concluded only between countries that mutually assume identical conditions. In a concrete way: The Romanian side demands that we, in addition to what has been sanctioned in the final Helsinki document, should grant additional guarantees and refrain from territorial claims. However, on the other hand, the Romanian side does not want to accept such a clause. Nevertheless, we are encouraged by the recent message sent by President Iliescu that he would like to participate in a summit meeting with Hungary, something that for the development of our relations might mean a continuation of our relations while they are acquiring a real and promising content. To Mr. Iliescu's proposal—which we consider indeed noteworthy—we will send a reply to match the importance of the proposal. Now, having the right to the last word, allow me to reaffirm my belief that Romania is not threatened by any danger from Hungary or from any other direction and that a politician who claims that there is such a danger, does so only to achieve his domestic policy goals. However, each nation is better off in the opposing position, meaning a position when it does not feel threatened and thus it can safely unleash its whole creativity and become free in its actions and its thinking.

Defense Cooperation Agreement Signed With UK

LD0312223092 London PRESS ASSOCIATION in English 1704 GMT 3 Dec 92

[By Charles Miller, PRESS ASSOCIATION defence correspondent]

[Text] Britain and Hungary tonight signed an historic defence agreement. It covers a programme of cooperation between the Armed Forces of both countries. Included is a visit next year by the Chief of the Air Staff and director of the Royal Artillery to Hungary. There will be reciprocal visits by the Chief of the Hungarian Home Defence Forces and Chief of the Home Defence Staff. In 1994 the Chief of the General Staff will visit Hungary. The agreement, which covers the period from 1993 to 1995, will also involve a series of exchanges between training colleges, academies and units.

Szepesi Elected Chairman of GATT Council

LD0312220092 Budapest MTI in English 1604 GMT 3 Dec 92

[Text] Budapest, December 3 (MTI)—Head of Hungary's permanent GATT mission in Geneva Andras Szepesi has been elected chairman of the General Agreement on Tariffs and Trade Council of Representatives, Hungarian Government sources reported on Thursday [3 December]. The body passed the decision at an assembly that ended on Wednesday. It is the first time in GATT's history that a person from an East-Central European country was elected chairman of the organization's decisionmaking body.

Socialist Deputy Views National Minority Issue

AU0412105292 Budapest NEPSZABADSAG in Hungarian 28 Nov 92 p 8

[Interview with Csaba Tabajdi, parliamentary deputy and member of the Hungarian Socialist Party's National Presidium, by Lajos Pogonyi; place and date not given: "I Would Declare a Moratorium on the Word National—Csaba Tabajdi on the Horn-Szuros Debate and on Minorities"]

[Excerpts] I interviewed Csaba Tabajdi on the so-called Szuros-Horn debate, and the party's policy on national minorities and Hungarians living beyond the border. [passage omitted]

[Pogonyi] We have not yet spoken about the differences of opinion between [Hungarian Socialist Party, MSZP Deputy] Matyas Szuros and [MSZP Chairman] Gyula Horn....

[Tabajdi] There are no fundamental and conceptual differences between the two politicians, rather the problems are personal and of prestige. [passage omitted] The current debate would not have become so heated if Szuros had been allowed to fit into the party better. In my view, the difference of opinion stems from their views on how and in what style the current government should be criticized.

[Pogonyi] They both have their supporting camps....

[Tabajdi] Yes. Horn's attitude to the government is tougher and more pragmatic, while Szuros has more empathy for the government. The socialists need both of them. [passage omitted]

[Pogonyi] Let us see this clearly! Well-informed political analysts believe that the so-called national left wing, or the difference between the party's social democratic and social-liberal trends, lies behind the Szuros versus Horn and [Chairman of the National Presidium Ivan] Vitanyi debate. Are they right in saying this?

[Tabajdi] We often have leaders who put slogans on their banner.

[Pogonyi] Who are these leaders?

[Tabajdi] Do not let it be me who names them! The slogans—like social democracy or nation—on the banners make it obvious anyway who these people are. In my view, the whole party must at the same time be social democratic and national. In the past two years, the Antall-government and the coalition parties have "managed" to defile the latter notion. [passage omitted]

[Pogonyi] It was you who turned to the Constitutional Court because parliament has not yet passed a law on the national minorities. Is the cause of the domestic national

minorities and the Hungarians living beyond the border really so important to the socialists?

[Tabajdi] We had a section set up to deal with these two issues 18 months ago. As a matter of fact, I drew up both programs. Both causes are equally important if humanism is the standard. Our party was the first to draw up an overall program dealing with Central-Eastern Europe as opposed to a foreign policy program.

[Pogonyi] According to the socialists, it is untenable that the domestic national minorities do not have elected representatives in parliament.

[Tabajdi] At the end of 1990, within the government, the views of the Justice Ministry prevailed, which would have taken this issue to a dead end. This is the reason I turned to the Constitutional Court, which agreed with me and declared that the third clause of the Constitution's 68th paragraph that says that the national and ethnic minorities have the legal right to representation was not being observed.

[Pogonyi] However, there are some national minority representatives in parliament, although it is true that they were elected on party lists. [Tabajdi] Therefore, they do not mainly represent the minorities. It would be good if the minorities had their own representatives as national minorities.

[Pogonyi] Is it realistic that, for example, a 1,000-member minority can have its own representative?

[Tabajdi] There is no clear and reassuring answer to this question. In a Parliament based on parties, the national minorities also have to enter on the party lists because a person delegated by his own ethnic group has very little room for maneuver. In such a case, this person can only be an independent deputy.

[Pogonyi] And we know how difficult the position of the independents is.

[Tabajdi] According to another logic, people delegated on party lists represent party interests. Therefore, I would combine the two principles. I would be happy if the parties competed for having ethnic and national minority representatives among their factions. To achieve this, we would need a minority-friendly environment, a public attitude that helps the right of minorities prevail, and positive discrimination. The concept of a nation that excludes is unacceptable to us, be it on a national-ethnic or on a social basis. However, the bill that is being drawn up is useless if the majority of society does not have a willingness to implement the law. The self-organization of minorities is behind compared with the civil organizations of the majority of society. The domestic national minorities could be reassured if no one created hysteria so as to exclude certain social groups. This in fact is anti-Hungarianism in the guise of Hungarian friendliness. A dead end, in brief. Today, balanced social and economic development is our biggest national interest. [passage omitted]

Radio, Television To Fall Under Prime Minister

AU0312135092 Budapest MTI in English 2027 GMT 1 Dec 92

[Text] Budapest, 1 December (MTI)—Radio and television will become sub-sections in the budget of the Prime Minister's Office.

Parliamentary deputies adopted the amendment of next year's central budget with 170 votes for, 126 against, and 10 abstentions.

Finance Minister Mihaly Kupa backed the amendment after the chairman of parliament's Constitutional Committee said the proposal complied with the constitution. Before the vote, Kupa said as Hungarian Radio and Television used public funds, it is the right and obligation of the government to exert supervision. Whether these media are managed in separate budgetary sections is just a matter of financial technique. It is parliament's task to decide the budgetary sections, Kupa said.

At a press briefing after the voting, opposition Alliance of Free Democrats media expert, Parliamentary Deputy Miklos Haraszti said the parliamentary groups of the opposition parties would apply to the Constitutional Court to examine the adopted amendment.

In a meeting before the vote, media experts of all the opposition parties called the amendment "deeply unconstitutional" as it "changes the level of independence of these institutions," Haraszti said. The voting procedure on the draft of the 1993 central budget continued into the night. Parliament holds a plenary session on Wednesday [2 December] as well.

Onyszkiewicz Briefs Journalists on U.S. Visit

AU0312123892 Warsaw POLSKA ZBROJNA in Polish 26 Nov 92 pp 1, 2

[Report by Tadeusz Mitek: "Minister Janusz Onyszkiewicz News Conference"]

[Text] The latest meeting that Defense Minister Janusz Onyszkiewicz held with journalists was primarily devoted to the recent visit to the United States and Great Britain, although other subjects were also discussed. The entire meeting took the form of questions put to the minister by journalists. What questions were asked and what answers were given?

Janusz Onyszkiewicz dispelled journalists doubts at the outset by stating that the Ministry of National Delegation "had not specially planned the visit to coincide with the interregnum in the United States." The visit was already agreed to in July when an invitation to visit the United States was renewed. The date was the only possible one for the American side. It would have been very difficult to agree on a different date.

It was also an optimal date because it would have been difficult to find a place in line to meet with the new American administration in the future. Now, however, we had an opportunity to present our views before Washington's new policy assumes its final form and influence it to some extent, as well as to obtain—although the American side could not have issued a binding declaration to that effect—initial approval of the principles of Polish security policy.

"In many respects," said the minister, "it was worthwhile keeping that date for the visit." We established contact with people who will be involved in shaping American policy.

These were some of the matters discussed at the news conference.

In our contacts with NATO countries, we are striving to obtain increasingly fuller approval of our security concept for Poland. The purpose of the visits to the United States and Great Britain was to substantiate our expectations concerning future membership of NATO structures. The possibility of expanding NATO membership is currently being considered in the West as realistic and as an inevitable necessity.

The Polish suggestion that Americans forces should retain a significant military presence in Europe fell on fertile ground. The president-elect is not an isolationist; he supports the view that the U.S. forces in Europe are a stabilizing factor. It can be assumed that the the level of forces will be about that of a military corps.

During the political talks in the United States—this interested journalists—there was no discussion of Kuklinski or the extradition to the United States of the Poles charged with arms smuggling in Germany. There was also no discussion of the geo-military significance of the situation in Germany for Poland. The increase in nationalist tendencies was deemed disturbing during the talks, but was regarded as an internal German affair, which a democratic as well as strong state should be able to deal with.

One should not overestimate—this was another of the subjects discussed—the possible dangers that may currently arise as a result of the destabilization of the political situation beyond our eastern border. It also seems unlikely that Russian great power ambitions would pose a real threat today. In any event, one would not expect them to apply to our country.

In response to a concrete question about such dangers, Janusz Onyszkiewicz replied: "If, however, a direct military threat did arise, then one could assume that the West, although it has not said so explicitly anywhere, would not remain indifferent. Poland is viewed in the West as an integral part of the democratic world that should be defended—all this belongs to the realm of hypothesis—against armed aggression."

Questions were also asked about next year's ministry budget and how it is to be distributed. At the moment, the budget structure for 1993 is still very general. No executive orders have been issued. One thing is, unfortunately, certain: The sum for purchasing weapons will be lower than this year's in real terms. These reduced purchases will be primarily made from the Polish defense industry.

However, Minister Onyszkiewicz rejected the view that equipment is as disastrously outdated as journalists suggested. In addition, he argued that in NATO armies the level of modern equipment in many areas does not exceed 30 percent of total weapons. In NATO countries, the latest tanks and aircraft are only for the "first line." Those in the second line are often worse than ours.

"Let us not succumb to defeatist myths," appealed the minister, "the equipment that we currently have is not bad yet. The point is whether we will be able to recondition it."

In light of the size of the budget, the journalists expressed doubts about that.

Poles Extradited to U.S. on Arms Smuggling Charges

AU0312124592 Warsaw RZECZPOSPOLITA in Polish 26 Nov 92 p 1, 2

[Report by Jolanta Kroner: "Poles Face Thirty-Five Years Imprisonment"]

[Text] According to information obtained from the Polish Ministry of Foreign Affairs, at 1200 on Wednesday [25 November], a special American military plane carrying five Poles suspected of trying to sell weapons to Iraq left for the United States. The sixth member of the Polish group, Rajmund Szwonder,

director of the Radom-based "Lucznik" plant, has not been extradited for the time being. In a special statement, the Ministry of Foreign Affairs guarantees that it will make every possible effort to ensure that Wojciech Baranski, Jerzy Brzostek, Jan Gorecki, Zbigniew Grabowski, and Jerzy Napiorowski will receive appropriate consular assistance in New York. The Ministry of Foreign Affairs has also stated that it believes the affair will not have an impact on Polish-American relations in general.

The extradition closed the stage of the affair that began in March of this year and was described as straightforward by Zbigniew Lewicki, director of the Ministry of Foreign Affairs America Department. The difficult battle to defend the Poles on charges of breaking the UN embargo on selling weapons to Iraq will begin now. A decisive factor in this respect is the choice of defense lawyers, which is something that Poland should have some influence over and should ensure that they are not people selected at random. It is, of course, a question of defense counsel appointed by the court because none of the persons concerned would be able to afford to hire a lawyer. The lawyers who have offered their services would want between $100-150,000 for defending each of them.

The Ministry of Foreign Affairs stresses that the whole affair in now what concerns trade conducted by the Polish Government. Trade was being pursued legally by Polish citizens working for the Cenzin private enterprise who, in light of the situation in which they have found themselves, are entitled to consular assistance. As Director Zbigniew Lewicki stressed, the Ministry of Foreign Affairs and its chief will do all they can to make sure that assistance is as effective as possible.

Rajmund Szwonder's position looks somewhat different. The German authorities' decision to suspend his extradition was not only motivated by health considerations. The Polish side has stressed that he too was not acting on instructions from the Polish Government. However, he was representing a Polish state enterprise and had permission to sell a certain quantity of weapons to the Philippines. In his case, the presumption of innocence is being particularly stressed. The Ministry of Foreign Affairs stresses that it should be made possible for him to return to Poland and give testimony without the need to appear personally before the court of another state. Court procedure envisages such a possibility. The case may be considered similar to that of two Russians who were arrested along with some Poles. It transpires that the Russians were representing their government and they were thus released.

It is being said that a particularly negative combination of circumstances seems to surround the whole affair. If it were possible to conduct an investigation concerning Szwonder and the remaining accused in Poland, there would be a basis for applying for their extradition to our country. However, from the point of view of our laws, they have not done anything that would justify indicting them.

The application for asylum made a few days ago by Jan Gorecki's German defense lawyer on behalf of his client has been deemed invalid. The defense lawyer also sent a letter to President Lech Walesa. Neither the reasons for the asylum application or the content of the letter are known. It appears that the lawyer suggested a similar move to the other Poles, but they decided against doing so. Following talks, however, the asylum application was withdrawn. Such an application may be filed in the United States.

The Ministry of Foreign Affairs does not know what evidence the American prosecutor's office has. Under U.S. procedures, unambiguous evidence would be required—for example, a video film showing that the accused were fully aware of what they were doing and clearly expressed their readiness to act in a way that runs counter to American law. It can be assumed that if such evidence did not exist, then an independent American court would throw the case out. Until the guilt of our countrymen is proven, the Ministry of Foreign Affairs considers them innocent.

Director Lewicki said: "I am counting on the American prosecutor's office to make an appropriate distinction between seeking contacts and the possibility of selling weapons from the inspiration of the transaction, which came from the American side."

Deputy Predicts New 'War at the Top'

AU0312142392 Warsaw RZECZPOSPOLITA in Polish 26 Nov 92 p 2

[Article by Andrzej Anusz, deputy from the Movement for the Republic of Poland: "Before a Second War at the Top"]

[Text] Poland is on the eve of another "war at the top," which will be between President Lech Walesa and the Democratic Union [UD], which currently directs the coalition government, and its allies.

A realignment of forces has begun, and the search for allies is in progress. Just as Hanna Suchocka's government was formed, President Lech Walesa stated that he would give the government six months and then, if things are proceeding in a wrong direction, he will exercise a direct influence on the course of events. At that time there was talk of an alternative government headed by Waldemar Pawlak and Andrzej Olechowski. This was meant to "discipline" the government in the event of a possible attempt to make it independent of the president.

Differences of opinion between the government and the Belweder [presidential residence] became apparent very quickly. The government did not respond to the president's idea of a NATO-2 and EEC-2, and approaching

matters diplomatically, it remained silent. Recently, this tactical silence was interrupted. Prime Minister Hanna Suchocka in Brussels and Defense Minister Onyszkiewicz in Washington came out unequivocally in favor of Poland's full membership in the EEC and NATO. In light of this, the replacement of the head of Poland's foreign service is being increasingly mentioned. Krzysztof Skubiszewski, who is pro-presidential, is to be replaced by Tadeusz Mazowiecki, who has recently been very active in the international arena.

This rivalry also applies to state security. Andrzej Milczanowski, the minister of internal affairs who oversees the Office for the Protection of the State, is considered to be one of the president's men. So, the Office of the Council of Ministers has created a special "internal information" cell, which, while using information from the Office for the Protection of the State, is essentially competing against it.

The president is strengthening his influence in the Army, which is confirmed by the recent appointments of generals. The National Security Office attached to the Presidential Chancellery has prepared a plan for the creation of a National Guard, about whose future role various and often disquieting views are expressed.

UD deputies were not present at a meeting of the Sejm Internal Affairs Administration Commission that rejected Andrzej Milczanowski's assertion that Jan Olszewski's government had intended to carry out a coup d'etat on 4 June 1992. The resolution, which was adopted thanks to the absence of UD deputies, very much weakens the position of the present minister of internal affairs. Artur Balazs, the commission chairman, is being proposed for the post.

The rivalry is also apparent in the mass media. It seems that after its failed attempt to set up DZIENNIK KRAJOWY, the Belweder has gained influence over NOWY SWIAT, which is to compete with GAZETA WYBORCZA and primarily attack the UD and the Liberal-Democratic Congress [KLD]. The new radio and television law, and especially the establishment of a National Radio and Television Council is already becoming an area for further clashes. The government seems to be concerned about the president's influence on television ("Panorama," for example). However, it should be borne in mind that the chairman of radio and television is appointed and dismissed by the prime minister.

It seems that the upcoming vote on the antiabortion law will also be used in the rivalry over political influence. The issue may cause a conflict and weaken the current government coalition, a conflict between the Christian-National Union [ZChN], the UD, and KLD seems particularly likely, which will strengthen the position of the Belweder.

The draft Charter on Rights and Liberties that has been submitted to the Sejm indicates that the president wants to recover the constitutional initiative. Lech Walesa's critical attitude toward the Small Constitution presented by the UD is also known. In his opinion, deputies have curtailed the president's influence on proposing a government and deprived him of the right to propose its dismissal.

It would appear that a second "war at the top" will begin when next year's budget is to be passed. The president will want to win over the ZChN (Jan Lopuszanski has been working on that for some time now), the KLD (Lech Walesa's close ties to Jan Krzysztof Bielecki are well known) and to neutralize the government peasant parties, the Peasant Alliance and Christian-Peasant Party. He will keep the Confederation for an Independent Poland in reserve.

The UD will seek the support of the Polish Peasant Party (the process has been under way for some time now) and a positive attitude on the part of the Center Accord.

Both sides will seek to at least neutralize the Alliance of the Democratic Left and the Movement for the Republic in the conflict, along with other smaller groups of deputies.

Certain peculiar elements have appeared in all these clashes, such as, the Anastazja Potocka affair, which the president's "Panorama" program has devoted a great deal of time to recently.

The deteriorating economic situation will cause tension to rise, especially in large workplaces.

If the UD and its allies are defeated, then they will join up with those groupings that wanted parliamentary elections to be brought forward. That is because they believe that they will dominate a newly elected parliament, which will be in opposition to Lech Walesa.

I was an active participant in the first "war at the top," which split the "Solidarity" camp. However, that conflict contributed to the emergence of a normal political scene in Poland, one that is not monopolized. The impending second "war at the top" will be about real power and about spheres of political and economic influence in our country.

Deputy Defense Minister Views 1993 Budget

AU0312134692 Warsaw POLSKA ZBROJNA in Polish 23 Nov 92 pp 1, 2

[Interview with Bronislaw Komorowski, deputy minister of national defense, by Janusz Grochowski; place and date not given: "A Budget Within the Bounds of What Is Possible"]

[Text] [Grochowski] How much will the next Ministry of National Defense budget amount to?

[Komorowski] The Ministry of National Defense budget is composed of several parts because it also includes funds for social insurance and maintaining the state administration. Direct expenditure on national defense,

which is what is decisive for the Armed Forces, is to amount to—if approved by the Sejm—30 trillion 850 billion zlotys.

[Grochowski] That is a really impressive amount.

[Komorowski] That is true. However, as we know, the Army's needs are much greater, and we had applied for a larger sum. The state budget, including the Defense Ministry budget, is, however, a compromise between the often conflicting needs of various departments and the country's financial resources. Fortunately, it was possible to avoid larger cuts in expenditure on defense than in the budgets of other departments. Defense issues, including the arms industry, were treated with great understanding. Almost at the last moment, the defense budget was increased by 1.19 billion zlotys, but the sum has been allocated solely for purchases from the domestic arms industry. This not only makes it possible to think about maintaining this area of the economy but also creates a chance to invigorate it.

[Grochowski] It is envisaged that the military budget will grow by 20 percent, but if one takes account of the projected 39-percent inflation rate, does that mean, unfortunately, that in real terms state expenditure on defense will fall once again?

[Komorowski] In terms of actual purchasing power, it is undoubtedly not on the same level as this year's budget because it will be smaller. However, inflation also eats away at the resources that other departments have at their disposal.

[Grochowski] For some time now, changes to the structure of the military budget have been proposed, by, above all, increasing the share of expenditure on the purchase of weapons and imposing percentage limits on the cost of maintaining personnel levels. Has that been done with this budget?

[Komorowski] Only partially. The ratios improved when the government presidium gave us an additional 1.2 trillion zlotys for the purchase of equipment. However, the sum assigned for this purpose is actually lower than the one that we had proposed, but it is also significantly higher than what the Finance Ministry intended to grant us. Part of that money will have to be spent on buying spare parts. Unfortunately, some of them will have to be imported.

Is that much, or is it little? If one views the resources of the state, it is a very large amount in relation to the sums allocated to other departments for equally urgent needs, but if we view it from the angle of the needs of the Armed Forces, these funds will undoubtedly prove to be inadequate. However, the most important thing is that we managed to obtain understanding for the importance of state defense problems.

[Grochowski] Where did the defense ministry find allies who not only gave verbal support to the Army's needs—which has been the case for some time—but also material support?

[Komorowski] It became apparent that there was common concern on the part of various state governmental agencies responsible for the defense of the Republic. The president's stance was also important, but so was that of the prime minister and her deputy prime ministers, especially Henryk Goryszewski, and so was the assessment of the Central Planning Administration.

The structure of the projected military budget is, of course, unhealthy. That is due to certain developments. Successive cuts, that have been increasingly harsher, and there have been cuts since 1987, have resulted in reduced expenditure on the purchase of equipment and on training. This has led to distortions in this budget, the overwhelming part of which has been allocated for maintaining the Army and only to a slight extent for developing it. We want to put a stop to that, and perhaps we have finally achieved a first, undoubtedly inadequate, but important step in that direction.

However, we have to realize that it will not be possible to improve the condition of the budget in the course of a year. It has to be a process that on the one hand calls for the elimination of unnecessary institutions that are a burden on the department. On the other hand, one has to nurture the hope that part of the sums saved, which will be increased with funds for invigorating the Polish economy, will return to the ministry budget and improve its structure.

[Grochowski] In accordance with Defense Ministry plans, next year is to see radical reforms in the ministry and the Army. Will this budget make it possible to institute those reforms?

[Komorowski] It creates serious dangers, if only regarding the recruitment of contract troops. At the same time, it forces rational use to be made of the structures and personnel that we have in the Army. One has to consider the relationship between the number of persons who draw pensions in the Army and the possibilities for maintaining them at an appropriate level. That is the logic behind activities regarding budget matters.

[Grochowski] What you said could be viewed as an announcement that professional personnel will be reduced.

[Komorowski] For a long time now, we have been talking about the need to change the ratio between the numbers of older and younger officers. That is what we will be attempting to do. At the same time, our position also is that there are certain personnel policy principles that are still binding, even if the budget is a difficult one.

The difficult struggle for the budget is not only a question of "to be or not to be" for the ministry and Army reforms. It is also a test for the civilian part of the

ministry, a test of its ability to ensure appropriate financial means for the Army. Unfortunately, it was not possible to achieve a budget that would be equal to our needs, but we surely put up a more effective fight than the previous, senior military personnel running the ministry. It is enough to look at when the largest cuts in defense expenditure occurred.

[Grochowski] Of course, what interests soldiers most is whether their material situation will at least be maintained at its present level.

[Komorowski] Finance Ministry calculations indicate that incomes in the police force and the Army are significantly higher than the public sector average. That upset some ministers, especially those representing the health service, education, and the arts. However, we have to recognize that one condition for having a good army—this rule applies everywhere in the world—is that military pay must be relatively high. In addition, there is a law—an achievement of the past few years—that sets certain mandatory levels of pay. Maintaining these levels is important for the future because when, let us hope, the economic situation of the state improves, it will provide an opportunity for military families to lead a dignified existence.

[Grochowski] Personnel is also upset about housing matters. Minister Onyszkiewicz has announced that funds for construction, especially in the east, is a priority.

[Komorowski] Let us state the following first—this budget is sick also because a significant burden on military finance is the maintenance of the entire housing infrastructure for personnel, an infrastructure that is, in addition, inadequate. On top of that, it impedes the pursuit of an active personnel policy. Unfortunately, for the time being, there is no possibility of abandoning this model. I think that in some forums it proved possible to explain that one cannot limit this privilege, which—there is no need to hide the fact—often benefits those who are no longer connected with the Army, before the question of housing on a national level is solved.

[Grochowski] Has this yielded any material results?

[Komorowski] Funds are envisaged, but they will certainly be inadequate in relation to needs. I will not make cheap promises because the truth is that one cannot expect this problem to be solved by increasing budget expenditure. Other measures will be necessary, ones that will lead to a change in the system for satisfying personnel's housing needs. One of them—we want to propose that to the government—could be to allocate part of the funds obtained by the Military Property Agency for that purpose.

Warsaw Committee for Abortion Referendum Set Up

AU0412094692 Warsaw PAP in English 2132 GMT 30 Nov 92

[Text] Warsaw, Nov. 30—A Warsaw committee for a referendum on abortion, headed by Professor Jan Haftek, a surgeon, was set up here on Monday [30 November]. Over 20 similar committees have been set up throughout Poland so far. They have collected over 300,000 signatures in support of the idea of holding a referendum on abortion. The Warsaw committee is based at the headquarters of the Labour Union (UP). Some 100,000 signatures have been collected in the capital.

Deputy Zbigniew Bujak, the initiator of the movement, has suggested a public discussion, preferably on TV, on the matter. He also intends to address a letter to Polish bishops in reply to their appeal to the faithful against the referendum. The bishops' letter was an attempt to "intimidate people", Bujak charged.

Meanwhile, Deputy Prime Minister Pawel Laczkowski denied the recent suggestions that the controversies on the abortion issue may make it difficult to maintain the ruling coalition. He said that the dispute among parliamentarians on that matter does not affect the work of the cabinet. It will not threaten the budget debate either, Laczkowski said.

118 AIDS Cases Registered, 2,500 Carriers Identified

AU0312131492 Warsaw PAP in English 2141 GMT 30 Nov 92

[Text] Warsaw, Nov. 30—Although Poland is a country with a low incidence of the AIDS virus, this fact should not be treated with complacency, Professor Andrzej Stapinski of the Institute of Venereology at Warsaw's Medical Academy, announced on Monday [30 November]. Speaking on the eve of the UN-sponsored World AIDS Day, which falls this year on December 1, Professor Stapinski said that 118 AIDS sufferers had been recorded in Poland, of which 60 were no longer alive. He estimated that there might be around 12,000 persons infected with the HIV virus, although only some 2,500 had so far been identified. Of these, Professor Stapinski estimated that around 70 percent were intravenous drug users, most likely infected through the use of non-sterile needles.

Events in Poland relating to World AIDS Day began a week ago with a scientific conference at Rydzyn (Leszno Province, western Poland), to discuss the links between AIDS and drug abuse, and to discuss the problems of caring for those infected with the virus. Also, a concert under the slogan "Tolerance" was held in Warsaw at the weekend to improve public awareness of the disease, and to raise funds for the construction of a hospice for AIDS sufferers.

Government Promises To Solve Dam Traffic Problem

AU0312212492 Bucharest Radio Romania Network in Romanian 2000 GMT 3 Dec 92

[Text] In connection with the closure of the Yugoslav lock at Iron Gate I, Transportation Minister Paul Teodoru told our reporter Ion Marinescu that he had received a cable from the Government of Yugoslavia, which emphasizes that this measure was an initiative of the local authorities in the Danube area and that the Government of Yugoslavia pledges to take action to solve this situation.

The Romanian lock continues to be open, permitting downstream-upstream traffic, which is not to our advantage, because Romania has to transport goods upstream-downstream so as to bring its cargo-laden ships back from voyages abroad.

Envoy To Intervene With Belgrade on Seized Ship

AU0312185492 Bucharest Radio Romania Network in Romanian 1800 GMT 3 Dec 92

[Text] Talks were held at the Romanian Ministry of Foreign Affairs today between Petre Dimitriu, a deputy director in the Foreign Ministry, and Yugoslavian ambassador to Bucharest Desimir Jevtic. Jevtic said that his country does not want the incident to deteriorate and to create problems for Romania. He added that he would ask Belgrade to reconsider the seizure of the Romanian ship.

Danube Traffic Resumes at Iron Gates Lock

AU0312214592 Bucharest ROMPRES in English 1818 GMT 3 Dec 92

[Text] Mihaela Cutus, spokeswoman of the Romanian Transport Ministry, confirmed to a ROMPRES reporter that on Thursday, December 3, the lock on the Romanian side of the Iron Gates was reopened. The lock had been closed for a routine overhaul.

Incident To Be Clarified

AU0312191392 Bucharest ROMPRES in English 1841 GMT 3 Dec 92

[Text] Bucharest, ROMPRES 3/12/1992—The Yugoslav authorities closed the lock for the Romanian ships on the Yugoslav bank at Iron Gates in retaliation to Romania's applying the embargo against Yugoslavia in accordance with the Resolution 787 of the UN Security Council. Given this situation, the charge d'affaires of Romania to Belgrade was instructed by the Ministry of Foreign Affairs to contact the Yugoslav authorities and clear it up. When talking to executives of the Federal Transport and Foreign Affairs Ministries, the Romanian diplomat could learn that the Yugoslav authorities took such a measure in retaliation to the measures the Romanian authorities undertook. As Mr. Traian Chebeleu, secretary of state and deputy foreign minister, stated to the press, "such an attitude is unacceptable. One cannot accept the reciprocity viewpoint in this case because Romania has had to comply with an international obligation, and that cannot be transferred to the plane of bilateral relations. The Ministry of Foreign Affairs does not want to mount the artificially created tension, that is why the Romanian charge d'affaires is going to contact again the Yugoslav Foreign Ministry executives.

Consultations are also under way in Bucharest between the Yugoslav Embassy and the Romanian Foreign Ministry to have a definite answer from the Yugoslav side. If the retaliatory measure keeps valid, then the Romanian Foreign Ministry must inform the Security Council and the relevant international organizations like CSCE about it, Mr. Chebeleu also said.

Foreign Debt in Coming Years Previewed

AU0312173192 Bucharest ROMANIA LIBERA in Romanian 27 Nov 92 p 1

[A.M. PRESS note: "Romania's Debt"]

[Text] Contacted by Bucharest specialists, FDSN [Democratic National Salvation Front] sources affirm that in the coming two years Romania's foreign debt will amount to some $6-$7 billion. This recourse to foreign money is practically programmed, and at the end of 1994 and the beginning of 1995 Romania's foreign debt will total $10-$11 billion. The problem of how to pay back this debt has not been dealt with yet.

Number of Unemployed Reaches 1 Million

AU0312134792 Bucharest ROMPRES in English 1101 GMT 3 Dec 92

[Text] Bucharest, ROMPRES 3/12/1992—The number of unemployed will reach one million in December, while around 4,000 jobs have been available each of the past months, Dan Mircea Popescu, minister of state for social protection, minister of labor and social protection told the daily CURIERUL NATIONAL. He added that unemployment benefits, paid for nine months since the layoff, stands at present at 60 of an average salary, after which a 18-month indemnity is paid, representing 40 per cent of a minimum indexed wage. The number of jobless that are receiving the latter stand at 180,000.

The unemployment funds of the labor ministry total 90 billion lei now from which 1.3 million jobless can be paid, (without asking for money from the state budget). The ministry intends to use part of the fund to invest in projects that will create jobs, but the law has to be modified to allow this.

Some other social protection bills have been forwarded to parliament, such as those on the status of civil servants and on child allowances. A framework law on social protection is being drafted, as well as bills on pensions, social pensions, social homes, charity societies, the poverty line, added Minister Dan Mircea Popescu.

Mostly Affects Under-25 Group

AU0412115492 Bucharest ROMPRES in English 1036 GMT 4 Dec 92

[Text] Bucharest, ROMPRES 4/12/1992—At the end of November, 41 percent of the total recorded figure of 588,294 unemployed were youth under the age of 25, while 85,303 went between 25 and 30. More than half of the under-25 unemployed are women, of which 183,061 are blue collars.

By other groups of age the situation is as follows: 37.1 percent are between the age of 30 and 49 years, 4.8 percent go between 50 and 55, while 2.6 percent are over 55.

Annual Production Decreases, Inflation Increases

AU0412101592 Bucharest ADEVARUL in Romanian 28 Nov 92 p 2

[Article by Ilie Stefan: "Tobogganing Economy—An Alarming Deterioration in All Production and Consumption Indicators; Unemployment and Inflation Are Galloping"]

[Text] A slight redress of our economy was registered in October. Compared with September, industrial production increased by 2.6 percent, compared with August by 8.2 percent, and with July by 10.4 percent. However, production was 23.5 percent below the level of October 1991. The National Statistics Commission also reports the following: labor productivity in October increased by 3.7 percent compared with September, but it is 13 percent lower than in October 1991.

The primary energy resources used were 11.5-percent lower in the first 10 months of this year than in the same period in 1991. Exports decreased by 4.4 percent in October compared with September resulting in a trade deficit. In the field of agriculture, livestock and meat production continue to decline. Imports of these products continue to increase. Sales of consumer goods decreased by 10 percent compared with October 1991. Prices of consumer goods were 10.4 times higher in October 1992 than in October 1990.

The purchasing power of salaries decreased by a third in real terms. The average monthly inflation rate in the first 10 months of this year was 8.8 percent.

In mid-October, the number of unemployed was 959.369, an increase of 184.3 percent compared with the beginning of the year. In short, our economy is on a roller coaster.

Opinion Poll Considers 1993 Economic Prospects

AU0312214492 Bucharest ROMPRES in English 1920 GMT 3 Dec 92

[Text] Bucharest, ROMPRES 3/12/1992—A third of the Romanian population expects 1993 to be no better and no worse than 1992—that is the conclusion of a recent opinion poll made by "IRSOP" (Romanian Institute for Opinion Polls) on request from national news agency ROMPRES.

The poll results showed that 37 percent of the subjects thought 1993 would be no better and no worse than 1992, 25 percent expected to see some improvement and 16 percent expected their economic and social situation to get worse.

Thirty-two percent of the subjects were convinced things were headed the right way, while 23 percent were of the opposite opinion. As for the current living standard, 31 percent considered it to be "good enough" and only 2 percent thought it was "very good"; for another 44 percent the living standard is "rather bad." Thirty-six percent of those interviewed were "fairly content" with the Stolojan governing, while 33 percent were "rather unsatisfied." Confidence in the Vacaroiu government is also uneven: 22 percent were "fairly confident" and 26 percent were "rather unconfident" in it.

The ability of the new government to improve the economic situation is "probable enough" for 24 percent of the subjects, "rather improbable" for 36 percent and "very little probable" for 22 percent. Five percent of the interviewed persons were "very much convinced" that the new government would succeed in maintaining stability in Romania, 36 percent were "reasonably convinced" and 28 percent were "very little convinced."

Asked if the new government would succeed in eliminating corruption, 41 percent of the interviewed said they were "quite skeptical" in that respect.

IRSOP took the opinion poll over November 24-29, 1992, in 70 urban and rural settlements on a batch of 1,074 persons whose structure was representative for Romania's adult population. Only 21 percent of those questioned thought the extremist forces were "no danger at all"; 8 percent thought on the contrary there was a very big danger that over the coming five years the extremist forces in Romania may become strong; 20 percent thought that danger was "big enough" and 28 percent considered it to be "not too big."

Out of the seven main industrialised states, the interviewed persons wished Romania was closer to: Germany—27 percent; the United States—26 percent; France—17 percent; and Japan—14 percent. Out of Romania's neighbors, 17 percent of the subjects desired closer relations with Greece, 14 percent with Hungary, and 11 percent with Turkey.

As for Romania's relationship with the Republic of Moldova, 25 percent desired the two countries to remain "two very closely linked independent states," 35 percent wished "they united later on," and 27 percent wanted them "to unite right away."

Small Arms Fire Rakes UN Commander's Plane

AU0312220292 Paris AFP in English 2121 GMT 3 Dec 92

[Text] Sarajevo, Dec 3 (AFP)—An Antonov aircraft of the United Nations Protection Force with General Philippe Morillon, the force's French commander, on board was hit by gunfire Thursday [3 December] while taking off from Sarajevo airport, an UNPROFOR [UN Protection Forces] spokesman said.

The plane's fuel tanks were hit by small arms fire, as a result of which it lost fuel on the way to Zagreb where it was able to land without further difficulty, the spokesman said at UNPROFOR headquarters at Kiseljak, 20 kilometers (12 miles) from here.

On Tuesday, an American Hercules C-130 was also hit by smallarms fire while coming in to land at Sarajevo. That attack caused humanitarian aid flights into the Bosnian capital to be suspended.

Airport Closed

LD0412093792 Belgrade TANJUG in English 0902 GMT 4 Dec 92

[Text] Belgrade, Dec 4 (TANJUG)—The Sarajevo Airport will be closed on Friday [4 December] and Saturday, after a plane carrying UNPROFOR [UN Protection Force] commander for Bosnia-Hercegovina General Philippe Morillon was hit from light arms on Thursday, UNPROFOR spokesperson in Zagreb Shannon Boyd has said. Sarajevo is the capital of the war-torn former Yugoslav Republic of Bosnia-Hercegovina. No one was wounded in the attack and the plane landed safely in the Croatian capital Zagreb, REUTER reported. Boyd said six bullets hit the rear part of the plane and pierced the fuselage of the Soviet-built Antonov 12, shortly after take-off.

Serbs Again Block UN Aid Convoy to Srebrenica

AU0412113292 Paris AFP in English 1121 GMT 4 Dec 92

[Text] Belgrade, Dec 4 (AFP)—Bosnian Serb soldiers blocked a UNHCR [Office of the UN High Commissioner for Refugees] humanitarian aid convoy trying to reach the Moslem enclave at Srebrenica in eastern Bosnia-Hercegovina Friday [4 December], UNHCR spokesman Peter Kestler told AFP.

The Serbs stopped the United Nations High Commissioner for Refugees convoy, led by three armoured vehicles and six Belgian U.N. Protection Force (UNPROFOR) lorries, at the Bosnian border early Friday morning. The convoy had reached a border bridge linking Ljubovija in Serbia with Bratunac in Bosnia. A Bosnian Serb officer said that he had orders not to let the convoy through.

At the end of November, another UNHCR convoy waited three days before being allowed to cover the remaining 10 kilometres (six miles) to Srebrenica which had been isolated by ultra-nationalist Serbs for eight months. Friday's convoy carried blankets, food and cleaning products and included two truckloads of medication, which was not put into the first convoy.

Srebrenica's hospital cruelly lacks medicine. One of the doctors there, Dzevad Begic, said that 320 people, including one baby, had died for want of drugs. Some 2,000 people have been taken into this 80-bed hospital since the beginning of the war in April. The UNHCR managed to unload six humanitarian aid trucks at nearby Bratunac, said UNHCR spokesman Kestler. The Serb-controlled Bratunac population has prevented humanitarian aid from reaching Srebrenica several times.

Separately, UNPROFOR chief General Satish Nambiar decided late Thursday to suspend all UNPROFOR flights - humanitarian or otherwise - to Sarajevo, following firing which caught the plane of the UNPROFOR's commander in Bosnia, General Philippe Morillon, Thursday as it was taking off from Sarajevo airport.

Humanitarian Aid Arrives in Gorazde, Rogatica

LD0312223592 Belgrade TANJUG in English 1717 GMT 3 Dec 92

[Text] Belgrade, Dec. 3 (TANJUG)—Escorted by UNPROFOR [UN Protection Force] members, an UNHCR [Office of the UN High Commissioner for Refugees] convoy carrying aid arrived in Gorazde and Rogatica, in the eastern, Moslem-controlled part of the war-torn former Yugoslav Republic of Bosnia-Hercegovina, on Wednesday [2 December], the UNPROFOR Liaison Office in Belgrade said.

Nine trucks loaded with food and escorted by four armoured vehicles of UNPROFOR's French battalion arrived in Gorazde on Wednesday at about 1400 hours local time. The remaining three trucks transported aid to Rogatica.

Military Police Arrest Deputy Army Commander

AU0312202992 Paris AFP in English 2016 GMT 3 Dec 92

[Text] Sarajevo, Dec 3 (AFP)—The deputy commander of Bosnia-Hercegovina's official Army, Colonel Jovan Divjak, a Serb, was arrested Thursday [3 December] at Konjic, 50 kilometres (30 miles) southeast of Sarajevo, accused of arms trafficking and "collaboration with the enemy," Bosnian television reported.

Divjak was arrested by the military police along with some 20 other people accused of embezzlement and trafficking in arms, it said. He was believed to have freed Serbian prisoners in exchange for money, according to the report.

The Bosnian Army is headed by a Moslem, Sefer Halilovic, who has two deputies, one Serbian, the other a Croat.

Zagreb Radio Describes Fighting Around Sarajevo

LD0312124892 Zagreb Radio Croatia Network in Serbo-Croatian 1200 GMT 3 Dec 92

[Correspondent Zdenko Vranjes report]

[Text] Once again the aggressor is making fierce attacks on Otes [suburb in western Sarajevo]. This morning they launched—from two directions, from the settlement of Osijek [west of Otes] and from Ilidza—the strongest combined infantry and tank attack so far. There was hand-to-hand fighting, but the chetniks did not pass. There are losses on both sides. The fighting is still going on, and according to information of the First Corps of the Bosnia-Hercegovina Army, the defenders have destroyed a further three of the aggressor's tanks and two armored transports.

At the same time, the aggressor's artillery is constantly bombarding settlements around and to the rear of Otes. Hundreds of projectiles are destroying Stup, Stupsko Brdo, and Sokolje [northwest Sarajevo]. In other parts of the town, it is much quieter, though Serb artillery from time to time is bombarding settlements in the old and in the new town, as well.

As a result of the latest fierce attacks in which the aggressor is using all means, including chemical weapons, the Bosnia-Hercegovina Army has sent a protest to the Sarajevo headquarters of the UN Protection Force [UNPROFOR].

Sarajevo airport is still closed and UNPROFOR has received instructions from Geneva that the air bridge be suspended until further notice.

Serbs Abandoning Bosna River Villages

LD0312233992 Belgrade TANJUG in English 1737 GMT 3 Dec 92

[Text] Zavidovici, Bosnia-Hercegovina, Dec. 3 (TANJUG)—All Serb villages on the right bank of the River Bosna, between the villages of Kakanj and Zavidovici in the central parts of the former Yugoslav Republic of Bosnia-Hercegovina, have been abandoned by their Serb populations, Serb sources in Zavidovici said on Thursday [3 December].

The majority of Serbs from these villages have been driven away, while small numbers were taken to the Zenica prison. Some villages have been completely destroyed and others populated mainly by Moslem refugees from Jajce.

The Serbs left their centuries-old homesteads fleeing before the months-long terror by the members of the Moslem Patriotic League and the Handjar Division from Zenica, the Serb sources said.

The eight-month-old civil and religious war in Bosnia is being fought by the local Serbs, on one side, and the Bosnia Moslems and Croats, on the other, who are aided by regular Army units of neighbouring Croatia and mercenaries from the Islamic countries. The war broke out over the failure of Bosnia's three peoples to agree on the republic's future constitutional order.

Karadzic Not Invited to Geneva Conference

LD0312232192 Belgrade TANJUG Domestic Service in Serbo-Croatian 2118 GMT 3 Dec 92

[Text] Belgrade, 3 Dec (TANJUG)—Radovan Karadzic, president of the Presidency of the Serb Republic [of Bosnia-Hercegovina], told TANJUG this evening that he has not received an invitation to the conference in Geneva scheduled to be held on 16 December, at which the situation in Bosnia-Hercegovina will be at the center of attention.

Karadzic expressed the fear that at the conference in Geneva the EC probably will be concerned with its own interests and not those of the three warring parties in this former Yugoslav republic.

The leader of the Bosnian Serbs added that in dealing with the problem of Bosnia-Hercegovina the EC has made many mistakes. "They should be warned not to attempt to rectify these mistakes by making new ones." He stressed that the EC no longer has the right to make mistakes.

Karadzic assessed that the members of the EC, proceeding from their own interests, are in fact encouraging the war in Bosnia-Hercegovina. "The attitude of the EC toward the sides in the Bosnia-Hercegovina conflict is unbalanced, and the war cannot be ended like this," Karadzic noted.

European Official Proposes Security Zones

AU0412085892 Paris AFP in English 0032 GMT 4 Dec 92

[Text] Geneva, Dec 4 (AFP)—Hundreds of thousands of Moslems will die of cold and hunger in Bosnia-Hercegovina this winter unless they receive adequate food and protection, the head of a European team that visited the country said here Thursday [3 December].

Michel Fluckiger, who headed an investigation by the 27-nation Council of Europe, called for the creation of security zones in which the Moslem population could be protected. He also called for an increase in aid supplies to refugees in Bosnia. More than a million refugees in the republic were entirely dependent on aid, he said.

RSK Rejects Charges of Hampering Peace Process

LD0412093992 Belgrade TANJUG in English 2222 GMT 3 Dec 92

["Pool" item]

[Text] Knin, Dec 3 (TANJUG)—The State Committee for Relations with UNPROFOR [UN Protection Forces] of the Republic of Serb Krajina (R.S.K.) on Thursday [3 December] rejected charges that the republic was blocking the peace process, as claimed in a report submitted to the U.N. Security Council by the U.N. secretary-general.

"We did not expect that the R.S.K. government would be explicitly named as the main cause of UNPROFOR's inability to work further," the committee's statement said.

In his report, U.N. Secretary-General Butrus Butrus-Ghali informed the Security Council on Monday that UNPROFOR troops were unable to fulfill their peace task in the areas of former Yugoslavia which have been placed under their protection. For this situation Butrus-Ghali blamed mainly the R.S.K. authorities, and, to a lesser degree, for provocations and threats to UNPROFOR, the Croatian authorities.

Following Croatia's unilateral secession from Yugoslavia, the Serbs last year proclaimed the Republic of Serb Krajina within the administrative boundaries of Croatia where they are the majority population.

The R.S.K. State Committee cited article [number indistinct] of the peace plan under which the UNPROFOR troops should ensure peace and security of the population in the U.N. Protected Areas.

The statement also said that the information and data sent to UNPROFOR by the R.S.K. government were being selected, with a view to exerting "pressure on the R.S.K. authorities as the only party blamed for the stalemate of the entire peace plan."

Disease Epidemic Reported in Serb-Held Areas

LD0212175392 Zagreb Radio Croatia Network in Serbo-Croatian 1200 GMT 2 Dec 92

[Text] The tension in the area of Okucani provoked by a decision to force Serb refugees to move out has been increased by a breakout of typhoid and other infectious diseases. In order to conceal the presence of the epidemic, Serb authorities have moved the infected people to the former penal institution in Stara Gradiska. In protest at the difficult conditions in the former prison, the infected patients rebelled yesterday and tried to leave the premises by force. To stop them, so-called Serb militia opened fire from automatic weapons killing six and injuring eight people. In the course of the night, the patients were taken in an unknown direction. Several have already managed to flee. Since their whereabouts are not known, health workers in the Okucani health center have warned local authorities of a possible widespread epidemic.

Transit Visas for Foreign Citizens Abolished

LD0412094492 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 2300 GMT 3 Dec 92

[Text] From today the bureau for refugees of the Republic of Croatia will no longer issue transit visas for citizens of other states. The department has sent instructions to regional bureaus in Osijek, Slavonski Brod, Karlovac, Zagreb, Makarska, and Split stating that from 3 December this year transit visas will no longer be issued for citizens of other states. The regional bureaus are requested to inform the government's bureau for refugees about the number of applications submitted and visas granted so far.

Federal

Defense Ministry Criticizes Premier Panic

LD0312125792 Belgrade TANJUG Domestic Service in Serbo-Croatian 1213 GMT 3 Dec 92

[Text] Belgrade, 3 Dec (TANJUG)—The (Federal) Defense Ministry Collegium today issued a statement distancing itself from the conduct of Federal Prime Minister Milan Panic, which it assessed as heavily party biased. The collegium also demanded that he freeze his post of defense minister.

The following is the text of the statement which the Defense Ministry Collegium handed to TANJUG:

"Statements made by the Mr. Milan Panic, prime minister and defense minister, are heavily biased. This threatens political neutrality within the professional core of the Defense Ministry in the upcoming election campaign.

"The Defense Ministry Collegium has drawn Mr. Panic's attention to this fact on several occasions during his working visits to the Defense Ministry. Since Mr. Panic has continued to make statements incompatible with the post of defense minister, the Defense Ministry Collegium informs the public that it is distancing itself from such conduct by Mr. Panic, and demands that he freeze his post of defense minister."

Panic Responds to Statement

LD0312180992 Belgrade TANJUG in English 1557 GMT 3 Dec 92

[Text] Belgrade, Dec 3 (TANJUG)—Yugoslav Prime Minister Milan Panic intends to appoint a defence minister as soon as possible, says a statement sent to TANJUG by the federal premier's cabinet on Thursday [3 December].

Commenting on today's announcement by the defence minister's collegiate body which demanded that Panic freeze his defence function, the statement said that Panic "intended not only to freeze the function of defence minister, but also to appoint a defence minister at the soonest possible moment."

The demand by the Defence Ministry, who said that the prime minister's activities are markedly party-oriented and that this threatens the political neutrality of the professional part of this ministry, came after Panic's decision to run for president of Serbia at the forthcoming December 20 elections.

"Panic's activities as a candidate for Serbian president are not party-oriented because he does not represent any single party. Panic says, however, that his appearences may have a tone which at times could leave the impression mentioned by the collegiate body," the statement said. [quotation marks as received]

Panic decided to run for republican president as an independent candidate on the basis of 10,000 signatures of citizens, required under procedure for all presidential candidates. Several opposition parties immediately supported Panic's move.

Cosic Discusses Coming Elections

AU0312104792 Belgrade POLITIKA in Serbo-Croatian 22 Nov 92 pp 1, 5, 6

[Interview with Dobrica Cosic, President of the Federal Republic of Yugoslavia, by Momcilo Pantelic; place and date not given: "Dobrica Cosic: I Expect the Elections To Introduce Multi-Party Rule"]

[Text]—*I expect the elections to introduce multi-party rule, said Dobrica Cosic, President of the Republic of Yugoslavia, in an interview to our magazine, and proposed his state program to party leaders based on which they should form a coalition, and depending on the electoral outcome, form a closer political union and a coalition government.*

In conversation with Momcilo Pantelic, editor in chief of POLITIKA, the head of the Yugoslav state said once more that he was neither going to run for president of Serbia nor be on any of the electoral lists. He said he was willing to stay in his present office providing that the new Federal Assembly was composed of people ready to conduct a new and democratic policy and undertake an urgent constitutional reform. Cosic believes that these reforms should, among other things, abolish the office of president in both republics.

The President of the Federal Republic of Yugoslavia also answered several questions concerning the relations between the federal and the Serbian authorities. "There is deep disharmony between Serbian President Milosevic's policy and my own," explained Cosic. He went on to add that the relations between the two governments were making the already grave situation in the country worse.

Interceding once more on behalf of the equal representation of all parties and candidates on Serbian Radio and Television, the president expressed hope that the results of the elections might have a shortening effect on the sanctions and isolation.

[Pantelic] Considering the pronounced deterioration of the internal and external circumstances in which the early elections will take place, what do you expect from the outcome?

[Cosic] I am convinced of the victory of democracy and the spirit of change. First of all I expect: the elections to introduce multi-party rule in our state and the termination of the mono-party ruled state in which the rule of law was not possible; second, I expect the proportional electoral system and equal electoral circumstances to more fully express the political diversity of our society and the coming together of the democratic and moral

forces of the entire nation; third, I expect new people to be introduced into the Assembly, who are capable of conducting a new policy; fourth, for new people to be introduced into the state administration who are capable and ready to undertake the deliberate and thorough reform of the state and society in all their spheres; fifth, that these people, heading the state, have the knowledge, the ear and the energy for integral communication with the modern world.

[Pantelic] Your participation in the upcoming early elections, set for 20 December, are a key issue in the electoral campaign. Are you going to run for office, or are you just going to support a given list or candidate?

[Cosic] I find uncomfortable all the political and party combinations in which I am, among other things, being morally blackmailed by people who are only now, before the elections, recognizing my democratic convictions and the office I am serving. These people are even holding me responsible for the possible failure of the opposition, if I do not head its coalition! I am sorry, but I really cannot be responsible. And I am not, I repeat, running for the office of president of the Republic of Serbia, because, apart from personal reasons, I would in that case have to resign from the post of President of the Federal Republic of Yugoslavia. I do not want to deprive myself of the possibility of doing something good for Serbia and Montenegro in these black times. One thing is certain: If the new Assembly is not ready to immediately undertake a thorough constitutional reform and the building of a new, democratic, united state of Serbia and Montenegro, if these republics are not headed by individuals ready to conduct a new and democratic policy, I will soon resign from the office of President of the Federal Republic of Yugoslavia.

You are asking me whether I will lend my support to a list or a candidate. The post that I occupy and the desire to be the president of all the citizens of Serbia and Montenegro, without dividing them into parties, prevents me from naming at this time the party and the people who come closest to my convictions. I believe they already did so some time ago.

[Pantelic] How true is the prediction of a Cosic-Panic list in the making, within the framework of the Democratic coalition?

[Cosic] Even if I were convinced that I should run for office as a bearer of a coalition list or represent one together with Mr. Panic [federal prime minister], a lot of time and work would have to be invested in order to devise a political program such that I could sign today. I am interested in a lasting, working, political and moral union, which, for the people, would take on the historical responsibility for the policy of a long-term transformation of our society and the establishment of a new state.

As far as Mr. Panic and his heading a coalition is concerned, I would say that he wants to take part in the elections in an indirect way.

Profound Disagreement With Milosevic's Policy

[Pantelic] The public, especially the more informed section, frequently speculates on the kind and the degree of political relations between you and Milosevic. What are, really, your relations with the President of Serbia?

[Cosic] As regards political convictions and historical experience, the two of us are really very different people. The circumstances under which we work, the temptations we face, lead to serious disagreements on some points, and even to an inability to cooperate at all. Milosevic and I do not agree in our conceptions of democracy, the character of the new state, some goals and methods of foreign policy, and especially as regards the assessment of the consequences of the sanctions on the situation in the country and its future.

Serious disagreements have also surfaced concerning some of the laws passed by the Serbian Assembly that have produced negative feedback from the public; we have had conflicts concerning my general support of Milan Panic's government in the Federal Assembly, a government with which Milosevic, together with the Serbian Government, is deeply dissatisfied. Milosevic disagreed in principle with the Joint Declaration that I signed with Tudjman [Croatian president] in Geneva. He also expressed a hesitancy as to where the geographical capital of my "helmsman" was.

A heavy strain has been placed on our working relationship by the taking over of the building, the technical base and communications system of the Federal Ministry of Internal Affairs, an action carried out by the Serbian Ministry of Internal Affairs during a period of time when neither Panic nor I were in the country. This has practically annihilated the Federal State Security Service and endangered the constitutional system, something which must have been done with Slobodan Milosevic's knowledge. We also disagree on points of the strategy and tactics of national and state policy and development.

[Pantelic] Your mutual conflicts and disagreements, this disunity at the top, is causing serious damage to the new state. Can this somehow be overcome?

[Cosic] With great difficulty. The foundation stones of our state building, so to speak, are weak and should be reinforced. Conflicting attitudes as regards the Federal Government and the policy of Milan Panic, together with the disagreements in economic relations between the governments of Serbia and Montenegro, have led to a deterioration of relations between the two republics, so that the confederal elements of the federal Constitution have become a factor of disunion between Montenegro and Serbia, a disunion that is being prompted by certain outside factors in their strategic intention of tearing apart the state unity of Serbia and Montenegro.

Presidential Trinity Should Be Abolished

Therefore, the political stability of the Republic of Serbia, the stability of relations between Serbia and

Montenegro, the future of the Federal Republic of Yugoslavia imperatively need, in order to survive in these critical times, a united, or at least a more united, state leadership from the present one. The elections and the new Assembly must ensure unity at the country's head and, together with corresponding changes of staff, they must stabilize the basic factors of state policy. The present state of affairs cannot last. There is profound disagreement between Milosevic's policy and my own. It is a matter of the people, of the electing of new assemblies, to take a stand toward these policies and to clearly define the general concept of the state that should be realized. I believe that this is the necessary prerequisite that needs to be satisfied in order for a new era to start and an introduction to a more certain future for our country.

[Pantelic] The last time we spoke, you expressed the conviction that the office of president of the member republics was unnecessary in the federal state.

[Cosic] It has been my conviction for a long time that in a modern federal state there should be only one president of the republic. And that should be the president of the Federal Republic of Yugoslavia. Everywhere in the world one state has only one president. Try and recall: The office of president of the member republics was introduced by the Brioni Constitution in 1974, which only served to reinforce the bureaucratic federalism of Yugoslavia, but nothing was gained as regards real democracy and national and civic equality. I hope that the future constitutional reform will, with good reason, abolish this presidential trinity.

Oversights Do Not Call Into Question Panic's Successes

[Pantelic] You have not said anything concrete regarding your relations with Prime Minister Milan Panic, and this interests our public.

[Cosic] Our relations are cooperative and correct in spite of indisputable differences in our political convictions and in the methods of implementing state policy. Mr. Milan Panic has proved himself to be a capable, hard-working businessman, so he sometimes mixes up the concepts of business and state in his work methods, which may not always be in accordance with the norms of the state statute. With good and patriotic intentions in his mind, Panic wants success at any price. This is where some of his weaknesses and mistakes originate.

Everything that is rational and modern in his work, everything that serves the cause of peace and enriches communication with the world, I applaud. His personal slips, his emphasized self-confidence, his one-sidedness, and some improvised moves are flaws that do not call into question his real successes as regards the representation of our non-violent policy around the world, especially the breaking through of the media blockade, that is of great significance for our country's marred face throughout the world.

Yes, I am aware of the fact that Panic did not succeed in lifting the sanctions. But he did everything that a Yugoslav politician could possibly do in the given circumstances, and that deserves to be acknowledged.

[Pantelic] Was there talk of creating an independent list made up of distinguished supra-party individuals that would overcome certain party and personal antipathies?

[Cosic] I did not take part in this activity, but dissatisfied as I am with our party existence, I have often thought of working with supra-party, independent, free individuals on the founding of a national movement for the political, economic, and cultural renewal of the country, that would clarify our ideological and political muddle, reduce our party isolation and herald an indigenous political will and the more rational consciousness of our people. And that people is the one outside of all the current political parties, the one that does not know who to vote for, but not because it is now living in an "informational darkness." This nation has not been living in an "informational light" since the year 1804, yet that has not stopped it from choosing the path of liberty and democracy at the historical crossroads.

A State Program for National Unity

[Pantelic] Your criticism of the political programs of various parties and their current policy, prompts us to ask the following question: Since you do not belong to any party, what is your state program?

[Cosic] The country is in a state of emergency. Everything is in question. The only certainty is protracted suffering. Around us, in us, and among us are a lot of enemies. There are even more of those who are indifferent. In order to survive, we must pull ourselves together, make peace with others, and take a long, hard look at ourselves and the world. We must build mutual trust. We must understand that the spirit of tolerance is a moral principle, and not a political one. We must stop destroying and negating everything higher, stronger, smarter, more beautiful, and better than ourselves. If we could only set our heads and our souls in order, just a little bit, if we could only understand that we have to work today for tomorrow, it would not take great political intelligence to name a state program.

I will suggest it in the form of several points: the unity of Serbia and Montenegro on the principle of equality and solidarity; the building of a civic, modern, and thrifty federal state; decisive, democratic changes toward a free society; the renewal in civilizational terms of our backward and primitive country; a nonviolent, realistic and intensive foreign policy, especially toward our European neighbors, the kind of policy that will rid us of the sanctions and restore us to the international community; the proprietary and technological reconstruction and modernization of our economy; the resolute and radical solving of the Kosovo issue; an ongoing care for all Serbs outside of Serbia and the political fight for their national

rights; to put an end to the ideological civil war and summon all emigrant Serbs to take part in the renewal of the fatherland.

On these political foundations, according to my convictions, a national unity should be built without which the vital issues of Serbia and Montenegro cannot be solved.

The parties and the individuals who have these goals have my support in the upcoming elections.

[Pantelic] What are then, the essential differences between your state program and those of the political parties?

[Cosic] It would be useful if the leaders of our political parties would take a stand in relation to my proposal, so that in this way a programmatic political coalition would come into being, a more spiritual and moral one, a more national and nationally constructive one, rather than a party and personal one, out of whose electoral outcome it would be possible to form a narrower and closer political union in the Assembly, a union out of which a new coalition government would grow. A government that would have the trust and support for radical reforms.

The People Want Peace, Work, and Civic Security

[Pantelic] Is there any major pressure advocating a violent rather than an electoral resolution to our crises?

[Cosic] Such pressures are permanent. Most of the time they are concealed, but they are nevertheless dangerous and evil. The forces and motives of destruction are various, but their goal is the same: the breakup of the new state; the separation of Montenegro and Serbia; the turning of the Serbian people into a vassal and desperate multitude, scattered and defenseless.

It is not enough to have the traditional spite and willfulness, the wall around one's property, to turn away from neighbors and the world, in order to prevent this. To survive as a people, to reinstate ourselves as a powerful and new state union, we must have a democratic and modern consciousness, a creative will for the building of a new and free society, and the energy and brains for cooperation with the nonviolent and progressive powers of Europe and the world.

Maybe what we need most is a rational, realistic assessment of our powers, and the setting of only those national goals that can be achieved. Therefore, we can turn our survival crises into the starting point of our rebirth. We can achieve this providing we are still a serious and historically mature people.

[Pantelic] Many people are talking about the ominous possibility of civil war breaking out in Serbia and Montenegro. How real is the danger?

[Cosic] Unfortunately, our people in Croatia and Bosnia-Hercegovina were forced to take up arms in order to defend their children and their homes. Our people have a terrible experience from World War II and from the current civil war being waged on the territory of the ex-Yugoslavia. The people want peace, their homes, security, work, and harmony and will not be easily drawn into a continuation of collective suicide. However, ideological revenge for the defeat and the wounds of World War II, renewed by the revenge and the crimes in Croatia and Bosnia-Hercegovina in the ongoing war, are a sediment in the consciousness of some social and political groups.

The war fought in Croatia and still raging in Bosnia-Hercegovina presents a smouldering fire ready to burst into flames at the first breath of wind for everyone concerned. The participants, the refugees, countrymen. Extremist, chauvinistic and militantly nationalistic trends in some political parties that proclaim themselves to be the defenders of the Serb nationality, the Montenegrin nationality, the Muslims, and who see themselves as defenders of the fatherland or as fighters for some kind of their own "state", are dangerous because they are all armed. Moreover, the civilian population has a great deal of arms, and this can cause armed action during a moment when society is in a state of crisis or during a wave of social unrest and fury. And that would lead straight into a real national catastrophe.

The solution lies in the total demilitarization of political parties, in a solid civic system with strict laws that would contain the free use of arms within a civilizational framework.

The Moral Condition for My Mandate Is the Outcome of the Elections

[Pantelic] To what extent does your presidential mandate depend on the outcome of the early elections?

[Cosic] According to the current Constitution, my presidential mandate does not depend on the outcome of the early elections, but I am morally conditioning it on this. As I have already said, if the new assembly and the newly elected presidents of the republics are not people with whom I can cooperate, I am not ready to spend the rest of my life on a lost cause, deluding the people that they have a democratic state and a democratic president.

Discouraging Relations Between The Federal Government and the Government of Serbia

[Pantelic] Conflicts between the federal and the Serbian state authorities, such as the one between the Federal Ministry of Internal Affairs and the State Ministry of Internal Affairs, are more and more frequent. What do you propose to do about this?

[Cosic] Relations between the Serbian government and the federal government are discouraging. Such relations make our already grave situation worse. Mutual distrust, especially the mistrust of the Serbian Government towards the prime minister, the dissatisfaction of the Serbian Government with the economic policy of the Federal Government, an unwillingness to coordinate

economic policies and measures, the doubling of functions and jurisdictions, and uncoordinated legislation have brought the country to the brink of collapse. Geographical references should be its basic integrating factor. I refuse to let it be the army or the police.

As I have already said, the State Ministry of Internal Affairs, on the pretext of "proprietary-legal" reasons has occupied the building and technical base of the Federal Ministry of Internal Affairs and has in fact terminated the State Security Service of the Federal Government. The Federal Government and the federal state have in this way been practically divested of one of their basic constitutional functions. Should this "proprietary-legal dispute" not be settled by 24 November, the date set by the courts, making the reinstatement of the Federal State Security Service and the functioning of the whole ministry possible, I will propose to the Federal Assembly that they examine the endangered constitutional system of the country.

All that has happened, much of which is unknown to the public, points to the fact that the new state should be built on new and healthier foundations, with new people and a straightforward democratic character. I believe that the December elections will prompt and make this great task possible for our nation and state.

Secessionism in Kosmet [Kosovo & Metohija]

[Pantelic] Nowadays, one of the principal topics is Kosmet. How do you see the solving of this problem and do you think the Albanians will go to the polls?

[Cosic] By deciding not to go to the polls, the Albanian leadership is unequivocally opting for secession. They are conducting a policy of total boycott of the civic state and giving up their civil rights. Shrewd lobbyists and so-called human rights' activists, can no longer, together with their proteges, simulate their former democratic and universalist roles.

Now there is a realistic danger of the Kosovo issue entering a new phase: an immediate military and political confrontation for the final secession of Kosovo and Metohija from Serbia and the Federal Republic of Yugoslavia, with the goal of forming a greater Albania. The international forces, which refuse to see the truth about Kosovo, are encouraging and prompting the emergence of a new battlefield in the Balkans, thus creating an international religious battlefield between militant Islam and resigned Christianity.

Serbs Outside the Federal Republic of Yugoslavia and Relations Between Belgrade and Zagreb

[Pantelic] Lately, there have been frequent polemics about the treatment of Serbs outside the Federal Republic of Yugoslavia. What do you think about it?

[Cosic] It is our democratic and national duty to assist the Serbs outside the Federal Republic of Yugoslavia in their fight for national, political, and human rights. With all the political means available. Of course, the Federal Republic of Yugoslavia cannot risk her survival by totally supporting all and everybody's policies, especially the extremist and aggressive ones.

[Pantelic] Your talks with the Croatian president, Franjo Tudjman, have caused sharp reactions and denials. How do you see the relations between Belgrade and Zagreb?

[Cosic] I think it is vitally important and a democratic imperative to normalize, as wholly and thoroughly as possible, the relations between the Federal Republic of Yugoslavia and Croatia. This implies the revival of economic relations and communications, the regulating of pension payments and debts, the protection of the private property of citizens, information and cultural relations, and so on. This normalization must in no way be harmful to the Serbs, nor can it be a substitute for the political solution of the issue concerning the status of the Serbian people in Croatia that is guaranteed by the Vance plan.

[Pantelic] Do you have any immediate plans to meet with other Balkan, European and world leaders?

[Cosic] Such a possibility exists. We are working on its realization.

Bend During a Storm, But Do Not Break

[Pantelic] How realistic is the threat of the Yugoslav crises turning into a much larger focal point of instability and conflict?

[Cosic] The Yugoslav tragedy is an organic part of world crises and contemporary historical events. I expect permanent wars of scattered peoples and national minorities in the developed countries during the coming decades, especially on the marginal territories of Europe, Russia, and Asia.

[Pantelic] What are your political principles, the ones considered to be opposite to the "hard-core" ones?

[Cosic] These principles could, for example, be: Do not oppose the entire world, but represent national and state interests to the rational maximum. Fight for the democratic transformation of our society, but not with all means and with everybody. Conduct a policy of compromise and agreement, but do not sacrifice either your own or the national dignity. Bend during this storm, but do not break.

[Pantelic] You are considered to be a realist. Are you more an optimist or a pessimist?

[Cosic] I shall postpone the answer to this question.

[Box, p 6]

The Elections Might Have a Shortening Effect on the Sanctions

[Pantelic] To what degree can the elections affect the lifting of the sanctions?

[Cosic] The imposition of sanctions had several motives and far-reaching goals. I am not among those who believe that the electoral outcome will have a direct effect on the sanctions.

It is far more probable that the victory of democracy, the election of people with democratic and moral credibility, can have an effect on the easing of the sanctions and the isolation of the Federal Republic of Yugoslavia. If, God forbid, the opposite should happen, we are in for a long string of incalculable misfortunes.

For an Equal Electoral Contest on Serbian Radio and Television

[Pantelic] What else needs to be done in order to ensure the success of the elections and their legitimacy for relevant internal and external factors?

[Cosic] All agreements regarding the equality of all parties in the electoral campaign should be honored; all party and government decisions reached during "round table discussions" must be carried out; television and radio must make possible the campaigning equality of all parties and candidates. It is very simple: From the registration of electoral lists, Serbian Radio and Television must exclusively devote itself to a free, equal, and democratic electoral contest. Otherwise it would be a political crime that would cost the people dearly.

It is quite redundant to discuss the professional, civic, and political responsibility of the media. If someone breaks the rules of conduct agreed to be in effect during the election campaign, and neglects his editor's or reporter's duty, if someone on state television or radio should support a certain party, if such a person should be a member of the electoral committee, then he or she must be, according to the highest civic and national duty, immediately forced to resign.

The People With the Most Similar Political Values

[Pantelic] With which party leader or supra-party personality do you have most in common?

[Cosic] You must respect the fact that the office I hold prevents me from answering this question directly. The people closest to me politically are those with whom I formed the opposition from the mid-1960's, especially those with whom I illegally fought Titoism during the seventies, launched the magazine "JAVNOST" in 1980, founded the Committee for the Defense of Freedom of Thought and Speech in 1984, took part in the opposition activities of the Writer's Society of Serbia, cooperated in the Serbian Academy of Sciences in criticizing our social and political reality, and other opposition activities.

I suppose that the political public knows these people well. In addition, the party and parties which have supported and still support my policy are well known.

Foreign Minister Welcomes EC Election Observers

LD0312212392 Belgrade TANJUG in English 1532 GMT 3 Dec 92

[Text] Belgrade, Dec. 3 (TANJUG)—Yugoslav Foreign Minister Ilija Djukic on Thursday [3 December] welcomed the intention of the European Community to send observers to the coming early elections in the Federal Republic of Yugoslavia.

Djukic and Head of the Coordinating Centre of the E.C. Monitor Mission Ramsey Melhuish discussed today the mission's activities in former Yugoslavia.

The cooperation, understanding and support the federal and other authorities of the Federal Republic of Yugoslavia rendered to Ambassador Melhuish and his aides in their important mission were rated positively during the talks.

The talks were also attended by the head of the regional centre of the monitor mission in Belgrade, Swedish Ambassador Arne Feldheim.

Government Issues Warning on Election 'Propaganda'

LD0412092392 Belgrade TANJUG in English 2150 GMT 3 Dec 92

[Text] Belgrade, Dec 3 (TANJUG)—The Government of the Federal Republic of Yugoslavia said on Thursday [3 December] that the resignations of its two ministers and a deputy prime minister should not be abused in the election campaign. Stressing that it would continue to operate within its constitutional powers, the government of Milan Panic said that the resignations should not be used for election propaganda. Minister without portfolio Radmila Milentijevic, who holds a dual U.S.-Yugoslav citizenship and teaches history at the New York City College, and Economy Minister Nikola Sainovic, previously a minister in the Serbian Government, resigned last week accusing Panic of betraying national interests and siding with the opposition in the election campaign. Deputy Prime Minister Oskar Kovac, a member of the ruling Socialist Party of Serbia, resigned after Panic said he would run for the Serbian presidency. Kovac said Panic's nomination faced him with a moral dilemma which he could only resolve by resigning because his party had already nominated a presidential candidate, current Serbian President Slobodan Milosevic.

Panic Says Peace in Kosovo Country's Only Chance

AU0312130292 Sofia DEMOKRATSIYA in Bulgarian 30 Nov 92 pp 1, 6

[Interview with Milan Panic, Yugoslav Prime Minister by Eli Yurukova; on a flight from Bonn to Belgrade, date not given: "Government of Socialists Will Be New Tragedy for Yugoslavia"]

[Text] Belgrade, 29 November—Many people laughed when Milan Panic became the prime minister of what is left of Yugoslavia. As soon as he refused to be deceived by the Serbian Socialists and nationalists, Panic was immediately called "an American spy and a traitor to the national interests."

[Yurukova] Mr. Prime Minister, how do you view the development of the conflict in Bosnia-Hercegovina? How do you assess the measures adopted by the United Nations related to resolving the conflict in former Yugoslavia?

[Panic] I am convinced that one cannot negotiate the removal of the UN sanctions as long as the war in Bosnia continues. Consequently, I am striving to convince the sides to the conflict to begin negotiations, because the war will end only when Serbs, Croats, and Muslims put down their weapons and begin a dialogue. This process has already produced results. We proceeded from the London to the Geneva conference, which achieved certain successes. At present the military actions in Bosnia-Hercegovina have abated.

[Yurukova] What is your next move along the road toward peace?

[Panic] I shall again depart for Bosnia-Hercegovina to talks with the politicians on whom peace depends.

[Yurukova] You have visited Kosovo—the most dangerous point in the Balkans, where the next major crisis is expected to unfold. Why did you fail to reach a compromise?

[Panic] The local authorities in Kosovo virtually blocked my efforts. Nevertheless, it is important that we began a dialogue with the Albanians. I repeat: They must be actively included in Yugoslav political life. I want to correct the mistakes from the past, because a peaceful and calm Kosovo is the only chance for both Yugoslavia and Kosovo. Why is it necessary constantly to repeat that Kosovo wants to split away from Yugoslavia and escape from Serbian power? Actually, we should try to return Kosovo to Yugoslavia by proposing to the Kosovar Albanians equality in accordance with international standards. We must by all means preserve peace in Kosovo.

[Yurukova] Bulgaria has proved to be a factor for peace in the Balkans. What do you expect from us as your neighbors?

[Panic] For me as a prime minister it is very important to achieve the support of Bulgaria and Bulgarian politicians for the policy of my government. They must support my efforts to resolve the problems in Bosnia-Hercegovina.

[Yurukova] Could you explain your idea about the Balkan economic union? Have you already relinquished this idea?

[Panic] My idea is primarily aimed at an economic solution to the Balkan problem, which is as important as the political solution. Of course, we must first pacify the Balkan passions and calm Yugoslavia, and then begin to plan a Balkan union. Everyone knows that the Balkans have many economic problems. We must bring Europe to the Balkans and create a "European Balkans," and then, if possible, to remove from the political stage those who do not understand those problems. An economic alliance is the only way of achieving prosperity and stability in our region, because we are too insignificant as an economic unit to be independently productive.

[Yurukova] Will you present your candidacy in the next elections?

[Panic] It is quite possible, although I have not finally decided. Whatever I undertake further will be aimed at promoting democracy. President Cosic has published a program which both I and my government support. I expect the democratic forces to win the elections. The return of the Socialists and its politicians will cause a great new tragedy which could finally kill Yugoslavia.

[Yurukova] From where do you expect assistance? What politicians could support you?

[Panic] I have said many times that Yugoslavia will mark the political end of those Mickey Mouse leaders, who think that we are in a huge Disneyland, in which everything is possible. Peace is the only solution for former Yugoslavia. My ideas and efforts are supported by Cyrus Vance [cochairman of the Conference on Yugoslavia], French President Mitterrand, German Chancellor Kohl, German Foreign Minister Kinkel, and Clinton. I expect a better understanding of the problems related to the Yugoslav crisis after Clinton's inauguration. As an American citizen I am a democrat, and therefore I believe more in the Democrats than the Republicans. I am sure that favorable changes will take place after Clinton's inauguration.

[Yurukova] We conducted this interview in a flight from Bonn to Belgrade. The Yugoslav prime minister was at the end of another 20-nour working day. In 120 days, he had travelled 30,000 kilometers and had talks with 100 politicians in 40 states with a single goal: to achieve peace and change something in the Yugoslav reality, which for two years now has been the greatest nightmare in Europe. Will Yugoslavia understand that he is the new man, related to the new time which must come?

Army Official Warns of 'Silent' UN Intervention

LD0212230492 Zagreb Radio Croatia Network in Serbo-Croatian 2100 GMT 2 Dec 92

[Report by Ivana Sutlic-Peric from Belgrade]

[Excerpt] The departure of the UN Protection Force from the Balkan peninsula could cause a fresh war between Croatia and the so-called Serb Krajinas, Yugo Army spokesman Ljubodrag Stojadinovic said in connection with a statement by UN Secretary General Butrus Butrus-Ghali, in which he admitted that the blue

helmets, with their present authority, are not capable of fulfilling their obligations in Croatia and Bosnia-Hercegovina. A danger of global military intervention in the former Yugoslavia is not likely—it is practically impossible—Ljubodrag Stojadinovic said, adding, I quote: There is, however, a possibility that blue helmets will carry out a silent military intervention in the new Yugoslavia, and that would be very tragic because it would gradually spread to Sandzak, Kosovo, and Vojvodina, Ljubodrag Stojadinovic told Radio B-92. [passage omitted]

Findings on Wiretapping of Cosic Detailed

93BA0252A Belgrade VREME in Serbo-Croatian 16 Nov 92 pp 16-18

[Article by Ivan Radovanovic: "Who Is Listening to You, Cosic?"]

[Text] London, Aug 1992—The delegation of the FRY [Federal Republic of Yugoslavia] is taking part in the Conference on Yugoslavia. After it is over, BALKAN EKSPRES, a Belgrade newspaper of doubtful reputation, which specializes in scandal anyway, reported that one of the most memorable things of the entire meetings was the attempt by Mihalj Kertes, with the help of Vladislav Jovanovic, to bug Messrs. Major, Carrington, and Heard. Although Kertes was dismissed while the conference was still going on, and Jovanovic soon after it, the spectacular assertion went unanswered.

Belgrade, Nov 1992—VREME's sources report that the news has come in from the "highest positions of government" that Dobrica Cosic, FRY president, is being bugged. The news is horrifying, but here it is in full:

"In one of the recent meetings between the Serbian president and the Yugoslav chief of state, Milosevic calmly quoted to Cosic several sentences which he had uttered to friends in the park. Soon after that, the story turned up in public, quite unofficially."

The Boss and Denials

Officially, there have been no statements or press releases whatsoever concerning either of the two cases of spying by eavesdroppers we have mentioned. The government, whose officials, it seems, engage in eavesdropping and which is also bugged by its own officials—is keeping a wise silence. It is the duty of every federal minister to deny such a thing, one of the close associates of Prime Minister Milan Panic explained to a VREME reporter. This was soon after confirmed by Pavle Bulatovic, federal minister of internal affairs.

In answer to our questions, a cold and official message came from his office that "the federal minister knows nothing about eavesdropping," and the associate of Panic we mentioned suggested to us that we find someone "who wants to talk."

"Did Kertes really engage in eavesdropping in London?" we then asked a man close to President Cosic. His first reaction was to breathe a deep sigh, then he shrugged his shoulders and said: "His bosses are denying everything."

The same gentleman later told us that of all the versions that exist about the "Kertes case" (some of them are really paranoid: for example, the one about Mihalj's attempt to form "our own" espionage network in London) the top federal leadership puts the most stock in the one that holds that this was, after all, an "attempt of Mihalj Kertes to show off a bit" and to prove that he could do absolutely anything.

Aside from admitting thereby that Kertes really did attempt to eavesdrop on British officials (otherwise why would it be thinking about the motives behind that action of his), the federal administration is also taking another important step in making that statement. It proves to a suspicious public that it knows quite well its "natural environment," and therefore the possible enemies in it.

Kertes is an illiterate when it comes to police work, quite capable of being caught in operations such as "bugging Major." There is in fact evidence that he himself was aware of that in that he brought with him to the Conference on Yugoslavia a professional. A certain Vlado Dragicevic of the federal SUP [Secretariat for Internal Affairs].

This gentleman was at one time the "personal policeman" of the journalists of BORBA (he openly kept a watch on what was happening in the editorial office, all as part of his job), and after that he moved up the ladder quickly, disappeared from public view, and then turned up alongside Kertes in London.

Because Dragicevic is a policeman with experience, that is, someone who is quite aware that you cannot eavesdrop on the English by just popping a "bug" under the table, the only explanation for his participation in this action, if it really happened, is an order from his superior, in this case Mihalj Kertes.

A Bone Stuck in the Throat

There are other details in the story that indicate Kertes' mistaken conception of his own abilities. They indicate that the "bug" was carried into the meeting with Major, Heard, and Carrington by Vladislav Jovanovic, the former federal foreign minister. Which, if it is true, is quite understandable. In his diplomatic career, Jovanovic certainly had more than one occasion, purely in the interest of the state, of venturing into operational work.

It is much less comprehensible that he should have been caught. That is, the only way to perform a mission like the one in London is to go in carrying a miniature tape recorder. For the simple reason that it is difficult for even the most sensitive equipment to pick up such devices.

In other words, to get caught Jovanovic must have been wired with a little radio transmitter instead of a tape recorder.

It is a rule of the trade that you never, but never, carry this "little tool" into the "heart of enemy territory." Because that "heart" is unfailingly equipped with the appropriate countermeasures, and it simply is not possible to go through undetected.

So, if Jovanvic, or someone else, actually did that, he is either not right in the head, or again it is a question of "carrying out an order." That would mean that someone had a desire to monitor live what was happening in the meeting with the British officials. Altogether mad and altogether typical of an amateur policeman like Kertes.

Often seen these days entering the building of the Serbian Presidency (after getting out of a police BMW), Mihalj Kertes also figures large in the part of the story about bugging the Yugoslav president.

Back when he was still a high official in the Federal Government, Kertes certified with his signature the document whereby the building of the federal SUP became the property of the republic Ministry of Internal Affairs.

A few months later, when that building was in fact officially occupied, according to the statements of witnesses, the largest number of Serbian special police were posted precisely in front of the offices of the SDB [State Security Service] and the technical services building—the two departments which in this story represent a rather large bone in the throat of the rival republic SUP.

The technical services building, incidentally, is an addition built for that purpose onto the federal SUP, and the best personnel and equipment for eavesdropping that exist in our part of the world were set up in it. Similar premises were to be built in the new building of the Serbian Ministry of Internal Affairs, but that attempt, according to our sources, fell through because of a lack of professional competence.

From everything that has been learned, the Republic SUP had no better luck in procuring eavesdropping equipment. According to the book *Srpska Vojska* (*Serbian Army*)—an eyewitness account of Dobrila Gajic-Glisic, the woman who previously headed the office of General Simovic, Serbian defense minister, the Serbian government at one time collaborated with the London branch of the American firm CCS (Communication Control Systems), well-known for its unsound conduct of business and the sale of the cheapest eavesdropping and surveillance equipment.

State Secret

This information, whatever other significance it might have, is the reason for the suspicion of those closest to Cosic that the basic motive for occupying the Federal Police building was to disable the effort of the technical services department and the SDB (the principal user of its services).

To make all of this still clearer, it is important to know that there are no fewer than four police organizations engaged in eavesdropping in our country. The federal police, the republic police, military counterintelligence, and the police of the Federal Secretariat for Foreign Affairs.

Under political conditions such as ours, it is clear that these police organizations are following, monitoring, and bugging one another and counteracting each other's eavesdropping.

Translated into "real life," this could theoretically mean that when someone important, regardless of why he is important, lifts the telephone receiver, there are automatically four operatives (or tape recorders) listening in. Another four individuals or devices are in some way also bugging or hindering those operatives (or tape recorders). And so on in succession.

The little war among the police organizations is, of course, waged secretly. What is more, it is also totally illegal (as is any eavesdropping in most cases unless it is done by order of an investigating judge, within strict limits), so it is no wonder that information about it is highly confidential.

The only traces that exist about it all at the moment are a few unofficial statements and one official statement.

Thus, we have managed to learn from Cosic's associate that it is "possible that Federal Minister Bulatovic did present some information about eavesdropping in a recent meeting of the State Coordinating Council." The minutes of that meeting, incidentally, are a state secret.

We learned that it is also "possible" that there exists some "paper trail containing information about eavesdropping" and also that it is "possible that such a document has been personally delivered to President Cosic." And the next "possibility" is the one added with the words that "...the moment is not yet right for this to come out in public." In other words, they are certainly bugging us, but officially we do not have evidence, a close associate of the Yugoslav president finally told us to clarify this entire intrigue.

The only official statement about eavesdropping is the one made on Thursday by Nebojsa Covic, M.A., chairman of the Belgrade City Committee of the SPS [Socialist Party of Serbia]. "The federal government is eavesdropping on the SPS intensively," Covic said, having previously emphasized that he has no information about a possible bugging of Dobrica Cosic and that "those allegations have not been verified."

Organists

It is indicative that Covic made his statement the same day when BORBA published the story we mentioned

about the eavesdropping on President Cosic in the park. We will most probably learn in the very near future whether this means that the SPS, frightened by the possibility of a "public debate" of eavesdropping, decided to strike first.

It is also interesting that on that same Thursday Radoje Kontic, vice president of the FEC [Federal Executive Council], answered a question about bugging members of the Federal Government by telling newsmen that "there is no knowledge to the effect that it was multipronged."

By contrast with Covic, others VREME talked to in the top federal leadership display quite a bit of cool, saying that "Anyone who relies on eavesdropping and in general on a strong police and repressive apparatus usually has no political future." It should also be emphasized at this point that in Cosic's office they add to all this that they and Cosic back in the seventies "developed ways of combating eavesdropping and secure communications systems," so that the entire case does not worry them much.

The concern of Cosic's entourage is certainly still less if we accept in principle Covic's assertion about the federal eavesdropping on the SPS (in view of all we have said, there is also a huge possibility of that), so that we can conclude that in all of this, while the police are playing around and putting their ear to each other's door, only those who are paying for all this should be concerned.

Incidentally, to eavesdrop on someone, Cosic, say, in the park, you either have to have "organs"—a series of sensitive microphones placed in pipes of differing size—or a "parabolic mirror"—curved, with a microphone at the focus and an operative who "aims it" at the mouth of the person who is the target of the eavesdropping. All of this costs an arm and a leg, and still, after the fact, no one is going to inform people about what Cosic or Milosevic said. Perhaps it was even something interesting?

Bank Director Denies Funds Transferred to Canada

93BA0264A Belgrade BORBA in Serbo-Croatian 18 Nov 92 p 10

[Report on statement by Bogoljub Karic, president of the "Braca Karic" company, on Studio B Television in Belgrade; date not given: "Bogoljub Karic Denies Stories About Export of Capital to Canada: Business 'Requires' Citizenship"]

[Text] *We requested a residence permit because we do not want to stand in line for a visa every time; funds are not being taken out in a plastic bag or sack; our customers and depositors can rest easy.*

Belgrade—"With regard to the articles in the press stating that we are requesting Canadian citizenship, I can say that our company today has two centers in Belgrade and five holding companies: Cyprus, Tokyo, for the CIS countries, Canada, and the United States. Thus, it is logical, given the situation in which Serbia and Montenegro find themselves, that we solve our problems, and so that we do not have to stand in line in front of the embassy—because we are, after all, business people—we must be able to enter and leave those countries without any problems whatsoever," said Bogoljub Karic, the president of the "Braca Karic" company concerning an article in the TORONTO STAR.

"Imagine a company like ours, which last year had total revenues of more than $4 billion, finding itself in a situation where its board cannot go anywhere at any moment. It is normal, with 24 companies in the West and 17 in the USSR, that we must go to those regions, often on a weekly basis. Because we go wherever there is business. Ultimately, it is not important where business people live.

"As far as the 'transfer of capital' is concerned, I do not know how people think that is being done: in a plastic bag, a sack or something like that!? Because it is not possible to take money out of the country without the approval or consent of the responsible institutions. That is true for all savings, for all banks in Yugoslavia and in other states. Besides, foreign-exchange savings are used to pay off foreign liabilities, so that it is in the accounts of foreign banks, naturally those that are cooperating with our bank. Normally it is not frozen, for the simple reason that we have an 'Oxford Company,' 'Karic Banka' on Cyprus, and others.

"In addition, there are people, say, at the National Bank of Cyprus who regularly check on our bank and without whose permission any money transfer is out of the question. These are only stories and intrigues.

"Just like this business about Canada, which is also our center, and if necessary we will assume dual citizenship. Our customers and depositors can clearly rest easy. How can they not believe in a company that has, say, 200,000 square meters of business space in this country, that signs an agreement with the city assembly on investing 200 million marks in developing Belgrade, and which recently laid the cornerstone for the construction of a business center on Balkanska Ulica," Bogoljub Karic concluded his statement for "Studio B."

Economic Chamber Warning on Interest Rates

93BA0264B Belgrade BORBA in Serbo-Croatian 18 Nov 92 p 9

[Article by D. Sverko: "Dramatic Warning From Economic Chamber of Serbia: Interest Threatens Banks"]

[Text] *The policy on interest rates is contributing to the impoverishment of the economy and the decline in production, and if the state does change something, the banking system will collapse.*

Belgrade—The current policy on interest rates is contributing to the impoverishment of the economy and to the

flow of money into the noneconomy (the economy accounts for only 10 to 12 percent of the total money supply), and is leading to the collapse of the banking system. Private banks will be the first to fail. But regardless of whether the banks are private or state-owned, the responsibility and burden will fall on the state (which is unavoidable if the bank has, say a million depositors), but it cannot withstand that. This was the message heard at yesterday's session of the Presidency of the Economic Chamber [PK] of Serbia, at which interest policy and its effect on production were considered.

Momir Pavlicevic, a member of the Presidency of the PK of Serbia, further emphasized that it is an illusion to think that it is possible to live with the interest rates in the long run. Specifically, the banks are covering up their insolvency with the fact that the inflow of funds is still greater than the outflow, Pavlicevic said, but production and trade are falling off drastically, and the money that is not being invested is increasingly worthless.

If state policy in this sphere does not change, he continued, the banks will soon be in a situation where they lack the means to issue loans; the economy will not be able to assume them because of high interest and production will halt, and even with a new devaluation production can hold out a few months longer, but the opportunity to revive the economy will be lost.

Besides this dramatic warning and the fact that the economy has less and less money at its disposal, it was proposed that an expert group be formed immediately, consisting of businessmen, bankers, and representatives of the Chamber, which will draw up an analysis and propose a reform in this sphere.

Explaining this proposal, the manager of the "Beograd" Department Store, Luka Mackic, talked about the real diversity in and discord between active and passive interest rates. One set applies to the National Bank of Yugoslavia, while others apply to commercial banks, to the population, and to goods on credit. The state must immediately change its interest policy, which is currently discouraging all investment and development.

Finance Minister on Dinar Devaluation

93BA0264C Belgrade BORBA in Serbo-Croatian 18 Nov 92 p 9

[Article by D. Kesic: "Dragoslav Jovanovic, Minister of Finance: Privileges Based on Four Rates"]

[Text] *There were no political reasons whatsoever, nor any immediate causes, for the devaluation; before the decision, four exchange rates for the dinar: the official one and three "black-market" ones.*

"There were no political reasons whatsoever, nor any immediate causes, for the Federal Government to carry out a devaluation of the dinar, aside from the fact that the black-market exchange rate was already built into prices, so that we wanted to legalize it," explained Federal Minister of Finance Dragoslav Jovanovic. "Thus, the devaluation had already occurred prior to the decision on changing the dinar's exchange rate; it happens, persistently, in official and unofficial places, and in real terms we had four exchange rates for the dinar before the decision.

"The first was the official rate, which was applied only in exceptional cases, when using the permanent foreign-exchange reserves of the National Bank of Yugoslavia, while the other three actually regulated relations and the strength of the dinar," Jovanovic added. These were rates established by the black market and unauthorized bodies in the republics.

"Of the three black-market rates, the first was applied to business transactions among banks themselves and between banks and companies, which is the so-called 'protected rate.' The second rate was the one for so-called dealers, for those selling foreign exchange on the street. And the third was established by unauthorized republican bodies as in, for example, the case of the stimulative rate for the purchase of housing.

"All three of these exchange rates," Jovanovic says, "were higher than the official rate, higher even than the new one established by the government. When the decision to devalue was made, the government considered that all three of these rates were unrealistic, because either psychological inflation or speculative profit or privileges for certain subjects were built into them. Closing one's eyes to this truth would not change the situation," Jovanovic believes.

"Applying the old exchange rate of 200 dinars to the dollar was practically irrelevant. It was actually beneficial for importers to pay duty based on the lower rate, which significantly reduced state revenues. Thus, the federal state had to increase taxes in order to finance its operations, and in this way an unfair burden was shouldered by those who had no direct connection with imports, but who did business exclusively on the domestic market.

"Another reason for the devaluation was the fact that some companies were in a position where they could buy the foreign exchange necessary for imports at a meaningless price from the foreign-exchange reserves of the Central Bank, and then such high prices were formed on the market that they bought these goods at the protected rate, whereby they earned a profit paid for by the citizens through the price of products," Jovanovic explained further.

"It follows from all this that the Federal Government compared the rate of the dinar to the real situation and thus created the conditions for continuing to pursue an active monetary policy in order to introduce a floating rate once the conditions are in place," Minister Jovanovic concluded.

Serbia

Commission Rejects Panic Presidential Candidacy

LD0312155192 Belgrade TANJUG Domestic Service in Serbo-Croatian 1426 GMT 3 Dec 92

[Text] Belgrade, 3 Dec (TANJUG)—The Serb republic's electoral commission has not accepted the candidacy of Federal Prime Minister Milan Panic for the post of president of Serbia, because he has not fulfilled the legal residence requirement of at least one year prior to submitting his candidacy. It was stressed at a news conference today that the final decision will be made by the Supreme Court of Serbia.

According to its chairman, Caslav Ignjatovic, the commission especially considered additional documents supporting Panic's candicacy. However, it was established that on 8 June 1991, when the Genex apartment was leased, Milan Panic was staying in Yugoslavia as a foreign citizen. From the legal point of view, he had temporary residency in Serbia at that time, not permanent residency of at least one year, and therefore he does not fulfill the condition to continue his election campaign, Ignjatovic stressed.

Asked by foreign journalists about the nature of the difference between temporary residency and permanent residency, Caslav Ignjatovic first said that there is a difference but that he does not intend to "explain it here". However, at the insistence of journalists, Ignjatovic explained that "residence is the place where a citizen carries out his activities, whereas temporary residence is where he resides." [as received]

Milan Panic has the right to appeal to the Serbian Supreme Court within 48 hours the final decision of the republic electoral commission. The Serbian Supreme Court will decide who is right—Panic or the commission—also within 48 hours.

Speaking about the possible verdict of the Serbian Supreme Court, Caslav Ignjatovic said that he cannot influence the verdict of the court.

The decision of the electoral commission has been adopted strictly in accordance with the law, although members of the commission have been aware of the great political and public pressure—not for the first time—Chairman Caslav Ignjatovic said.

Panic Reacts to Rejection

LD0312194092 Belgrade TANJUG Domestic Service in Serbo-Croatian 1857 GMT 3 Dec 92

[Text] Belgrade, 3 Dec (TANJUG)—The press service of Milan Panic's campaign headquarters submitted the following statement to TANJUG in connection with the republican Electoral Commission's decision that Panic does not meet the necessary requirements for putting forward his presidential candidacy:

"It is clear today that t[illegible]ho rule Serbia are afraid of free and honest electio[illegible]ecision not to allow my candidacy for preside[illegible] is completely absurd. I was born in Belgrade. I [illegible]ed here for 25 years. I was in the Army and fought against the fascists. I was a member of the Yugoslav cycling team. I am one of the most successful Serbian businessmen. My company in Zemun employs over 5,000 workers. My wife and I have had an apartment in Belgrade since September 1991.

"I have been prime minister of the FRY since July 1992. How is it possible that the prime minister of the FRY does not meet the requirements for candidacy for president of Serbia? This is madness. This is not fair. Furthermore, it is not constitutional. I will not accept such a blow to democracy," Panic said in conclusion.

Panic Files Appeal

LD0312223792 Belgrade TANJUG in English 2210 GMT 3 Dec 92

[Excerpts] Belgrade, Dec 3 (TANJUG)—Yugoslav Prime Minister Milan Panic said on Thursday [3 December] he would appeal to the Constitutional Court of Serbia against the decision of the republican Electoral Commission to reject his bid for the Serbian presidency.

Panic, a U.S. businessman of Serbian origin, told the Belgrade-based Radio Yugoslavia he was convinced that the Constitutional Court would quash the ruling of the Electoral Commission. [passage omitted]

It is evident that the Serbian Election Law has been tailored to suit the needs of the Serbian authorities, Panic told Radio Yugoslavia. In Panic's view, the section stipulating that presidential candidates cannot be above 65 years of age has been inserted in the law to prevent Federal President Dobrica Cosic from running in the election race "which he would certainly win."

Panic said his optimism about the election victory was based on the fact that his and Cosic's programmes were identical, as well as on public opinion polls. One of the polls showed that I would beat Milosevic in all but two election districts, said Panic.

Radicals Call for Approval

LD0312233492 Belgrade TANJUG in English 1732 GMT 3 Dec 92

[Text] Belgrade, Dec. 3 (TANJUG)—The Serbian Radical Party (SRS) said on Thursday [3 December] the candidacy of Yugoslav Prime Minister Milan Panic for Serbia's president should be approved.

The Republican Electoral Commission on Thursday rejected Panic's candidacy, saying that he did not meet the requirement of having permanent residence in the country for at least one year before his nomination.

SRS President Vojislav Seselj said at a news conference it was "good that Panic is running, as he will be routed."

The Electoral Commission should confirm Panic's candidacy because he was born in Belgrade and never cancelled his residence here, Seselj said. He confirmed that the SRS was continuing its pre-election campaign although it had called off all the rallies it had planned to hold.

The rallies have been called off because of plans drawn up by Federal Justice Minister Tibor Varadi to provoke violence and bloodshed at the gatherings, Seselj reiterated, adding that he had been informed about the plans "from sources in the highest state bodies."

Commission Confirms Seven Presidential Candidates

LD0312191892 Belgrade TANJUG in English 1815 GMT 3 Dec 92

[Text] Belgrade, Dec 3 (TANJUG)—The Republican Electorate Commission on Thursday [3 December] confirmed seven candidates, and rejected eight, for president of Serbia at the December 20 elections.

Commission President Caslav Ignjatovic told a press conference that the list of candidates is as follows: Slobodan Milosevic (Socialist Party of Serbia), Vuk Draskovic (Serbian Renewal Movement), Jezdimir Vasiljevic (Group of citizens), Dragan Vasiljkovic (Group of citizens), Milan Paroski (People's Party and Serbian opposition), Blazo Perovic (Democratic Fatherland Coalition) and Miroslav Milanovic (Group of citizens).

Yugoslav Prime Minister Milan Panic, one of the candidates who failed to meet the legal requirements, is the biggest rival of current President Milosevic.

Possible changes could be made only by a ruling of the Supreme Court of Serbia if the rejected candidates decide to appeal within 48 hours. The court will make a decision also within the same period.

Bozovic Accuses Panic of Breaking up Serbia

LD0312222592 Belgrade TANJUG in English 1641 GMT 3 Dec 92

[Text] Belgrade, Dec. 3 (TANJUG)—Serbian Prime Minister Radoman Bozovic has accused the top of the federal state and Yugoslav Prime Minister Milan Panic of "breaking up the state."

In an interview published by the Belgrade weekly DUGA in its latest issue, Bozovic said that the main aim of the "federal apparatus headed by Panic" was not power but further breaking up of the state by means of secession of the southern Serbian province of Kosovo-Metohija or by "mapping out some special zones in Serbia."

Bozovic criticized Panic for "engaging in trade in medicines and financial transactions rather than in state affairs."

Panic, a Serbian-born U.S. businessman who owns a pharmaceutical plant (ICN Galenika) in the Federal Republic of Yugoslavia, became federal prime minister last July at the initiative of Yugoslav President Dobrica Cosic and the ruling Serbian Socialist Party (SPS).

In the meantime, a conflict broke out between the federal and republican Serbian authorities, and the opposition Serbian Radical Party (SRS), with the support of the SPS, has twice tabled motions of no-confidence in Panic.

Bozovic described Serbian President Slobodan Milosevic as "an extraordinary man, an intellectual who knows how to link the pragmatic and the strategic in politics. Time will show that he is a politician who, in the most adverse circumstances, had a clear political, national and state programme which irritated only those who saw the present time as an opportunity to realize their own personal interests," Bozovic said.

Both Panic and Milosevic have put up their candidacies for the Serbian presidency at the early republic and federal elections set for December 20.

The U.N. Security Council sanctions imposed on Yugoslavia for its alleged involvement in the war in Bosnia-Hercegovina will obviously last some time "for a simple reason that they were imposed for political rather than economic motives," said Bozovic.

Opposition Says Names Deleted From Election List

LD0412001792 Belgrade TANJUG Domestic Service in Serbo-Croatian 1920 GMT 3 Dec 92

[Text] Belgrade, 3 Dec (TANJUG)—The campaign headquarters of the Democratic Movement of Serbia [Depos] is receiving "dramatic reports" daily from electoral units throughout Serbia and from district committees of the Serbian Renaissance Movement [SPO] that many citizens of Serbia have been deleted from electoral registers, Depos announced today.

Depos says that it is mainly those who did not vote in the May elections or those who did not vote in the last referendum who have lost the right to vote.

It is symptomatic that even SPO candidates for republican deputies in the 1990 elections have been deleted from electoral registers, which was certainly done on the orders of the ruling party, the statement claims.

Depos calls on the authorities to immediately carry out a revision of the electoral registers and to return the right to vote to electors who have been deleted.

If this is not done it will be yet another reason for the elections to be declared irregular and the relevant bodies of the CSCE and other international institutions will be informed of this, the Depos statement says.

Democratic Party Comments on Conference

LD0412092092 Belgrade TANJUG in English 1802 GMT 3 Dec 92

[Text] Belgrade, Dec 3 (TANJUG)—The convening of a conference on Yugoslavia for December 16 in Geneva, without representatives of Serbia (Yugoslavia) and Croatia, is a "risky step towards a war solution implying new uncertainties for the peoples of former Yugoslavia," Serbia's Democratic Party warned on Thursday [3 December].

A statement issued by this second largest opposition parliamentary party in the Yugoslav Republic of Serbia notes that the conference will be attended by representatives of 30 countries and even those of the Organization of the Islamic Conference, but not the countries of the Croatian and Serbian peoples, in the absence of whom no lasting and just solution is possible.

The democrats also expressed deep concern about this development, underscoring that they had always called for a peace conference on Bosnia-Hercegovina which would be attended by representatives of all three peoples in that former Yugoslav republic, the governments of Yugoslavia and Croatia and the five permanent members of the U.N. Security Council.

For eight months, Bosnia-Hercegovina has been locked in a civil, interethnic and religious war in which local Muslims and Catholic Croats are pitted against orthodox Bosnian Serbs. The conflict broke out following a decision of the Muslim-Croat coalition on Bosnia-Hercegovina's unilateral secession from Yugoslavia and imposition of a unitary Muslim state.

Macedonia

Major, Gligorov Discuss Macedonia's Recognition

LD0312232892 Belgrade TANJUG in English 2241 GMT 3 Dec 92

[Text] London, December 3 (TANJUG)—British Prime Minister John Major and President of the former Yugoslav Republic of Macedonia Kiro Gligorov met here on Thursday [3 December] evening to try to "find an acceptible solution to the problem of Macedonia's recognition by the European Community," it was announced.

Apart from a short statement released from Major's cabinet, there were no other reports about the talks and observers have concluded that no solution has been found to the problem as yet.

The British Government, in the capacity of the current president of the E.C., is making efforts to find a solution to the problem of the name of that former Yugoslav republic to the satisfaction of both Macedonia and Greece.

Athens does not accept that the new state be called Macedonia, like Greece's northern province, and believes that the use of that name implies territorial claims.

Because of Greece's opposition, Macedonia was the only of the four break-away Yugoslav republics to be denied recognition by the E.C. member-countries.

British papers write that fear is growing in the E.C. that a further delay in recognizing Macedonia would be highly dangerous because of the overall situation in the Balkans.

Several options for Macedonia's name have been proposed so far, from "North Macedonia" to "the Macedonian Vardar Republic," but Athens has rejected all names in which the word "Macedonia" is used in any way.

The daily [as received] EUROPEAN writes on Thursday of a possibility that the entire problem be simply shifted to the United Nations Security Council, where Greece does not have the right of veto as it does in the E.C. and where chances for any permanent member of the Security Council to use its veto right are slight.

A possible recognition of Macedonia by the U.N. would make it possible for other E.C. members to recognize it too, regardless of Greece's opposition, it is believed in London.

Kosovo

Police Kill One, Wound Others in Pristina Market

AU0312183992 Tirana Radio Tirana Network in Albanian 1430 GMT 3 Dec 92

[Telephone report by Enver Maluku from Pristina]

[Text] At about 1100 today at the entrance of the produce market in Pristina, near the great mosque on Danubi Street, the Serbian police fired automatic weapons and killed for no reason 18 year-old Hafiz Halit Arifi and wounded his 25 year-old brother Sami and several other people, whom we do not have complete information about. Hafiz and Sami are from the village of Hajvali, five kilometers south of Pristina.

Many witnesses told the Kosovo Democratic Alliance that prior to these events, the market, where all sorts of inexpensive items are sold, was full of people. Armed with automatic weapons, a Serbian police patrol took Sami Arifi, who was selling clothes and cigarettes, and took him several meters from the market. The policemen than began to beat him black and blue. They then released Sami, who was covered with blood and who wanted to return to the market. For unknown reasons, the policemen then began to fire their weapons into the air. Sami was frightened and began to run through the yard of the great mosque. One of the many policemen in

the area seized him as he stumbled in the street. As Hafiz, Sami's brother, approached him, the police fired automatic weapons at both brothers. The witnesses stress that the policemen fired their weapons at Sami as he, deeply wounded, was lying on the ground. Hafiz Arifi was shot dead and Sami, gravely wounded, was left lying in the street. Other people also were wounded.

Many uniformed police joined the plainclothes officers and civilians in the area, and began to beat and arrest a large number of people who were in the market and the mosque yard. Additional Serbian police units were seen at the scene. The dead body of Hafiz Arifi and his wounded brother Sami were left in the street for about half an hour. During this time, Sami asked for help. The police did not allow anyone to approach the victims. Witnesses say that the police, led by Serbian Security Chief Misa Lakovic, who is known as the (?Macedonian), put a revolver near the dead and wounded before taking photographs of the scene.

Pristina is under a complete state of siege. Around the headquarters of the Pristina Garrison, the soldiers, including the tank units, are in a state of alert. The Serbian police and Army have increased their presence in the streets. Military planes frequently fly over the city.

Concerning this incident, the Kosovo Democratic Alliance Presidency issued a statement: The official role of the Serbian occupiers in Kosovo was radicalized to the maximum extent by killing and wounding Albanians at the Pristina market. All the facts prove that this act, too, was planned by the official Serbian authorities which, through such a public massacre of Albanians at the busiest place in Pristina, attempts to incite conflict between the unarmed Albanian people and the Serbian military police and paramilitary forces.

The highest-level Serbian officials and representatives of many extremist Serbian political parties have recently demanded that the solution of the Kosovo problem be achieved through radical measures, specifically through the eviction of thousands of Albanians from Kosovo and the repopulation of the area with Serbian colonists. In addition to the militarization propaganda, new Serbian military forces and reservists have continued to arrive recently in many parts of Kosovo.

Ministry Issues Statement

LD0312214292 Belgrade TANJUG Domestic Service in Serbo-Croatian 1957 GMT 3 Dec 92

[Text] Pristina, 3 Dec (TANJUG)—The information service of the Serbian Ministry of Internal Affairs issued a statement in Pristina this evening saying that two Albanians were wounded in today's attack on a police patrol in Pristina. One later died of his wounds.

The man who died was Hafiz Arifi, aged 19. His older brother, Sami Arifi, received two leg wounds. His life is not in danger.

The incident occurred this morning at around 1045 at the crossroads of Miladin Popovic Street and Vuk Karadzic Street, close to the Pristina market. A police patrol attempted to arrest the brothers, who resisted and physically attacked the policemen.

One of the attackers fired a pistol at the policemen who then, as the statement says, used firearms in defense. The judicial bodies conducted an investigation. A 7.62-mm pistol used to fire at the policemen was found at the scene, together with two cartridges of the same caliber. The statement adds that Serbian Ministry of Internal Affairs officers are taking all measures to clarify the incident.

The incident near the city market has caused a certain amount of tension in Pristina, but there have been no other excesses.

Police Cordon Off Hospital

AU0312222492 Tirana Radio Tirana Network in Albanian 2100 GMT 03 Dec 92

[Telephone Report by Mehmet Haziri]

[Excerpts] Another victim of the Serbian police terror fell in Kosovo today. [passage omitted] Witnesses confirm that there were others wounded by shots fired into a crowd. We still have no precise information on this. [passage omitted]

A Serbian policeman left his revolver near the dead body, certainly to indicate that Hafiz Arifi had attacked the police. This is an act by the Serbian mafiosi. Meanwhile, the street where the incident occurred was blocked off by reinforced Serbian police patrols. While reporters from the Serbian media were allowed to approach the scene of the incident, the Albanian reporters, even those who report for foreign news agencies, were not allowed to see the area. During the investigation, several of the closest witnesses to the events were arrested and taken to the police station.

After the incident, as we learned, the body of Hafiz was brought to the Pristina Surgery Clinic. His brother Sami was hospitalized and scheduled for surgery. Large numbers of Serbian forces controlled access to the Surgery Clinic and no one was allowed to enter, even the parents of the victim. In an attempt to see his sons, Hafiz's father, Halit Arifi, was taken to [words indistinct].

Proof that this murder was planned beforehand is contained in the fact that in Pristina, even before 1100 when the crime was committed, military planes flew low over the city. The planes continued flying over the city all day. Meanwhile, military convoy movements were also observed in several other parts of Kosovo.

The murder of this young Albanian caused indignation among the long-suffering Albanian population and drew reactions from other political parties and associations in Kosovo.

In its statement, the Kosovo Democratic Alliance says: [Passage omitted] The Kosovo Democratic Alliance demands that the international community take urgent measures to put this aggressive force under control, according to the tradition of condemning Serbia's official criminal acts and through appealing that UN forces be placed in Kosovo as soon as possible so as to prevent a conflict with very tragic consequences.

After today's tragic case in Pristina, in which a young man was killed and another wounded, the situation in the city [word indistinct] is calm. Of course, concerns are great. They are increased by the flights of military Belgrade planes throughout the evening. It should be stressed that regardless of this concern, deep sorrow, and grief, the Kosovo political forces are, nevertheless, keeping the situation under control. We hope that the situation will not deteriorate.

Serbs Continue 'Colonization' of Albanian Regions

AU0312212992 Tirana ATA in English 1321 GMT 03 Dec 92

[Text] Tirana, December 3 (ATA)—The great Serb colonization continues in Kosovo. As it seems, the warnings of Serb authorities to settle 120,000 new colonials in the Albanian territories in Kosovo are being translated into reality. A large number of Serb refugees from the territories swept over by war settled on December 1 in the Workers' Rest Home in Decan, usurped before hand by the Serb police. It is reported that here were settled more than 300 families with about 2,000 inhabitants. Refugees were accommodated in the Children's Rest Home in Decan and the Serb authorities have made ready the premises of the Middle School Vellezerit Frasheri [Frasheri Brothers] of this city. The Albanian pupils and teachers have been violently ousted from this school. In Decan, where 98 percent of population is made up of ethnic Albanians, the Serb regime has distributed territories to the colonial refugees and employs them in the enterprises where the Albanians have been violently evicted.

On December 1 four trucks with refugees from Peje went to Kline and were accommodated in Nora Hotel and scores of buses carrying refugees from Montenegro to Kosovo crossed Peje.

Underground Airfield Near Pristina Described

93BA0252B Novi Sad DNEVNIK in Serbo-Croatian 15 Nov 92 p 6

[Article by Milan Bozokin: "Mount Goles Received the MiG's in Its Embrace"]

[Text] Our country's democratic and peaceful commitment has also brought about changes in the Army. The Yugoslav People's Army [JNA] no longer exists, and one of the essential characteristics of its heir—the Army of Yugoslavia [VJ]—is considerably greater openness to public scrutiny. Many of the military facilities which even yesterday only a very few people knew about have become accessible to our public. One such is the Pristina underground air base. Until recently, this was a strictly kept secret, but recently some 30 or so military attaches walked through the underground bunkers beneath Mount Goles. That was a surprise not only to them, but also to the airmen at that air base.

The public has long known that there was a military airfield near Pristina. The combat planes of our Air Force have been taking off from the runway of that airfield for nearly five decades now. Today, a unit of supersonic MiG-21 aircraft commanded by Major Gvozden Urosevic is stationed there. However, it was very little known that underground facilities to store combat planes and logistical support units are located beneath Mount Goles. The underground bunkers beneath Goles took nearly eight years to build, but the project was completed some 20 years ago.

"The Pristina airfield is a military-civilian airfield with three runways and parking aprons necessary for combat aircraft," says Lieutenant Colonel Dragoljub Ilic, commander of the air base. "It is designed for defense against all types of attack, and thanks to the highly developed infrastructure, we are able to receive and service all the types of aircraft in our Air Force. In addition to Air Force units, there are also other units here of the RV i PVO [Air Force and Air Defense] and ground forces, missile units, logistical support units, and mechanized armor units. The respectable forces of the Air Defense missile units, light artillery-missile units for air defense, and air observation and reporting service provide defense of the airfield from the air and from the ground.

In the Yugoslavia that is now no more, the underground air base near Bihac was the largest not only within the borders of our country at that time, but it was also perhaps one of the largest air bases in Europe. After certain military units were moved from what until recently were republics of Yugoslavia to this region, the military experts said with some basis that the military air base near Pristina was one of the strongest air bases in the Federal Republic of Yugoslavia. The underground bunkers beneath Goles contain facilities which make it possible for the combat air force to live and work under all conditions.

The entrance to the underground hangar seems ghostly. An immense concrete arch, the grayness of autumn, and the marvelous calm, almost unpleasant to the senses, seem to enhance the mystery. The silence is disturbed only by the cawing of the ravens from the denuded crowns of the stunted mountain trees. Accompanied by airfield commander Ilic, we entered under the arches of the underground airfield. On the runway and in the corridors and galleries sheltered by the mountain there are many planes and pieces of military equipment over a large area. The flock of skybirds was roosting underground. The bunkers consist, we were told by Captain Surla, commander of the underground facility, of a

gallery to accommodate the MiG-21's, two entrance-exits, a section to keep aircraft in certain levels of alert, a section for testing aircraft armament, and a section for the pilots and technical personnel. There is maximum readiness, so that the airplanes take off practically as soon as they emerge from the underground hangar. Incidentally, at the entrance to the bunker there are large doors which are closed in case chemical weapons are used or in case of some other danger, and they can live here under those conditions for several days.

What is life like under the mountain, in the underground bunkers? Ordinary, say the pilots. Here, where combat planes fly out of the mountain! While some are preparing for a mission, others are resting up after strenuous flights.... Pilots Milan Milinkovic and Stanislav Stankov, and Vedran Dolasevic, commander of a squadron of MiG-21 fighters, say that they note no difference between life and work in the underground tunnel and preparations on the surface. These are all young men, just over 30, but they have been flying MiG's for 10 years now. For them, this time spent under the earth is normal, commonplace. Anyone who is here for the first time has a quite different feeling.

In another section, the aircraft technicians and mechanics are inspecting the planes. This is what they jokingly refer to as the "bird clinic." Airplane "doctors" work here. They treat all kinds of illnesses. All manner of wires run from the aircraft engines, wings, and cockpits to instruments. These are aircraft undergoing detailed inspection. The instruments squint, there is no evasion. The "tired ones" are immediately replaced with new ones, possible breakdowns on the aircraft are eliminated. When the pilot gets it, the airplane must be irreproachably ready to fly.

Even this airfield, like any other, has a control center, radars.... The most difficult was to conceal the radar "ears"—the antennas. They are sheltered on the slopes of Goles, but in the fall, when the natural "camouflage" disappears, the antennas are clearly visible. And why conceal them? The foreigners certainly know about their existence, and if they have failed to take note of something like this, there is no reason to doubt that the AWACS spy plane has not already photographed all of Goles and this airfield. What is more, since last week there are also three UN observers overseeing flights at the Pristina military airfield....

In Gvozden Urosevic's pilot unit, however, they pay little attention to the foreign observers at their airfield. They work according to plan: They do their regular assignments and train the young men newly arrived from the military academy, their future colleagues. And as we were ending our visit to this underground airfield, the Air Force unit was preparing, as it has done who knows how many times before, to fly out of the mountain. It was not long before the "mosquitoes," as some call them out of affection, were scattered over the sky. And in our country there are other mountains like Goles and plenty of "mosquitoes" to defend the Yugoslav sky.